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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS



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ROMANIAN-CZECH INDUSTRIAL COOPERATION, TRADE DISCUSSED

Bucharest ELECTROTEHNICA, ELECTRONICA, AUTOMATICA in Romanian Dec 83 pp 165-166

[Article by G. Andrei]

[Excerpts] Economic and trade relations between Romanian and Czechoslovakia have been taking on new dimensions and broad perspectives each year. Economic cooperation both within CEMA and on a bilateral basis has been continually developing and contributes to the progress of the two countries.

In this connection, we should mention the realization of numerous joint projects--a hotel in Chrudim, a urological clinic in Prague, the thermoelectric power plant in Treboradice and the polyclinic in Malesice, to which the Romanian partners contributed; Czechoslovakia provided assistance in the construction of natural gas electric power plants in the cities of Ludus and Craiova, a pulp factory in Chiscani, and a combine for the industrialization of wood in Suceava, among other projects.

At present, through cooperation and specialization, the two countries are producing equipment for metallurgical plants, motor axles for tractors, machine tools, automated manufacturing lines, synthetic rubber, medicines and other articles.

In the context of the 1981-1985 long term agreement, economic cooperation will be accentuated so that products resulting from cooperation and specialization will represent 18.2 percent of the total volume of trade between the two countries.

During the 15th session of the Joint Romanian-Czechoslovak Commission on Economic Cooperation, which took place recently, it was decided that other joint projects in important fields such as the machine-building industry, the electrical engineering and electronics industry, the metallurgical industry, chemistry, etc. would be carried out.

The volume of trade between Romania and Czechoslovakia has increased year by year and, according to the long term agreement signed in May 1981 in Prague, this trade will total 3.2 billion rubles in the 1981-1985 period.

Romania exports to Czechoslovakia, in particular: machine tools, electrical engineering equipment, textile machines, machines for the construction industry, sanitary installations, bearings, agricultural machines, locomotives and freight cars, ships, passenger cars, drilling installations and other products.

Czechoslovakia exports to Romania: machine tools, energy equipment, products of the electrical engineering industry, equipment for the metallurgical industry, equipment for the chemical, textile and shoe industry, machinery for the construction industry, compressors and turbocompressors, measurement and control devices, medical and laboratory apparatus, buses, etc.

This year, Romania participated for the 25th time in the Brno International Fair for Mechanical Constructions, represented by 13 foreign trade enterprises whose products were exhibited over an area of 1,300 square meters. The Romanian exhibits were in the fields of the electrical engineering and electronics industry, the automotive construction industry, the machine tool industry, the textile machinery industry, etc.

CSO: 2700/133

INTERNATIONAL AFFAIRS

HUNGARIAN ECONOMIC INSTITUTE DIRECTOR INTERVIEWED BY ROMANIANS

Bucharest REVISTA ECONOMICA in Romanian No 2, 13 Jan 84 p 24

[Interview with Jozsef Bognar, Director of Institute for World Economics of the Academy of Sciences of the Hungarian Peoples Republic, by Dinu Dragomirescu; date and place not specified]

[Text] [Question] What are the prospects for revitalization of the development process in the Third World in view of the impasse at which global negotiations have arrived?

[Answer] The global negotiations and the creation of an institutional system of global negotiations are necessary precisely because there are a number of global problems in the world economy. Owing to the growing interdependence between the economic activities of various countries, a certain degree of coordination of national economic policies will also be necessary in the future. While the Western world's conception of the world economy was until recently dominated by the thinking of Keynesian economists, the monetarist school has since then come to predominate in western thinking, the monetarist policy even becoming the official government policy in the United States, England, and other capitalist countries. This is a situation that can affect overall world development and relations with developing countries. The monetarist argument is that the most important current problem is lowering inflation. This is, of course, a necessary and important objective, but more than a single goal should be aimed at in a complex economy. At the same time, there is the problem of unemployment, the creation of new jobs, and at the international level we have the circumstance that by the year 2000 more than 80 percent of the world's population will live in developing countries. Since they have a large foreign debt, these countries must use the greater part of their foreign exchange revenue to service the debt, so that only a very limited purchasing power remains for imports, and this is a situation which can seriously affect their economic development. On the other hand, increase in exports is a prerequisite for rectifying the situation. Neither capitalist nor socialist countries can develop if they are unable to increase their exports. Consequently, I expect a new mindset to emerge in the Western world in the years to come, one which will support the need for economic development of third world countries as an institutional means of creating purchasing power. Credit over a certain period is useful, but the creation of purchasing power

presupposes expansion of economic activities in these countries. Hence I believe that in the next 2 to 3 years attention in the world economy will be concentrated on the problems of the developing countries.

The way to achievement of recovery in the world economy lies not merely through achievement of coordination of economic policies. A means must be found of coping with global problems, which the national economies cannot solve by themselves. Thus I believe that international bodies must play a greater role, at least in initiating scientific and political activities, to gain an understanding of this new and complicated situation and to elaborate a methodology for coping with it. A certain amount of cooperation is absolutely necessary. There are, it is true, 180 national economies with widely varying systems of interests, and harmonization of these interests in a process of cooperation is a political problem. Added to this is the fact that we are living through a period of international tension and acceleration of the arms race. But if we are unable to solve this problem, there will be grave deterioration of the economic situation, with serious effects on the political situation and security.

[Question] I have learned that your Institute devotes particular attention to the consequences of the arms race and the relationship between disarmament and development.

[Answer] The gravest danger is unquestionably the danger to peace. The arms race also generates lack of trust between countries, and when trust is lacking economic cooperation is much more difficult, particularly industrial and agricultural cooperation, which is a long-term process. When it comes to the economic effects at the level of the individual national economies, the developed countries and the developing countries must be considered separately. In my opinion, the production of modern weapons in the developed countries, contrary to the statements made by some, creates fewer jobs than do weapons of the older type. Secondly, such production squanders a large part of accumulated capital for military purposes, with the result that the real rate of accumulation is very low in the majority of developed countries. And the arms race has a disastrous effect from several viewpoints in the case of the developing countries. Foreign exchange revenue is used to purchase weapons instead of being allocated for development of industry and the economy. On the other hand, the developing countries always arm themselves under the slogan of anti-imperialism, but very often these countries use the weapons against each other. In the majority of cases the existing disputes between developing countries have been inherited from the past. But in a global world such as the current one, in which there is tension between superpowers, if one of these powers has an interest in a local conflict it attracts the interest of the other superpower, out of considerations of global balance. A local war may thus be transformed into an international conflict, and the moment of resolution comes to depend on the relations between the superpowers rather than on the local forces, which sooner or later will want to end the war and continue to develop their economies.

[Question] What are the chief concerns of the Institute which you head?

[Answer] Our most important concern is that of supplying forecasts regarding the world economy. In my opinion, an endeavor such as this is important in any planned economy, but especially in the smaller socialist countries, in whose economies foreign trade plays an important part. It is utterly impossible to plan the national economy without taking into account what is to be encountered in the world economy. Consequently, we provide the planning authority with our forecast 2 years in advance of preparation of the Five-Year Plan. Another field of endeavor is represented by study of the probable evolution of countries on an individual basis (the most important developed capitalist countries, all the European socialist countries, and 16 or 17 important developing countries). On this basis, if we are asked by the government to do so we can extend our analysis to other countries which will be of commercial or political interest in the near future. Of course, in our forecasts we deal not only with economic development but with technological and scientific development, the educational structure, and so forth. We also take various political alternatives into account, since a specific forecast in the political sphere is much more difficult.

We do not undertake to make an extremely thorough analysis of past events, since, in my opinion, in a world developing at a rapid pace a very prompt reaction must be made to various external impulses. The past is admittedly important, but it offers no new solutions for the future. We also concern ourselves with the problems of the international monetary system and of international institutions, including the aspect of the international trade which it will be necessary to carry out in the next 10 to 15 years.

At the same time, a new problem is posed: when we find what is to be expected in the world economy, we must arrive at conclusions relating to determination of the most rational behavior of our economy, with its own system of interests, in a certain foreign economic situation. Attention is currently being concentrated on this problem, which is not a simple one.

[Question] What is your assessment of the panel discussion in which you participated in Bucharest, and in general of collaboration with Romanian research workers?

[Answer] This was the first panel discussion on economic topics between specialists of Hungary and Romania and between their respective world economy institutes, although we have, of course, had frequent occasion to get together in the past. During this panel discussion we exchanged ideas on the way in which each side views the probable evolution of the world economy. We also discussed the relations between our two countries and the developed capitalist nations and with the developing countries. We also exchanged ideas in the matter of problems of cooperation among socialist countries in the current world economic situation and the situation prevailing in the foreseeable future. Our final conclusion in this regard stressed the importance of improving cooperation among the socialist

countries, with more emphasis on exports and with a stronger orientation toward third-country markets. The old type of cooperation among socialist countries, which still persists today, was aimed at meeting import requirements by way of cooperation. At first this was justified, since COMECON came into being during the period of the cold war, the embargo, and so forth, when it was highly important to find substitutes for the products which the capitalist world was not disposed to supply to us. At present, however, we have the potential for increasing our trade with the western countries and the developing countries, and it is necessary for us to do this because for a number of years we will have to export more than we import owing to our foreign debt. This period probably will not be a short one.

We found that we have a number of ideas in common with our friends at the Institute of World Economy in Bucharest. Of course, we also have divergent views, because the mechanisms of our economies differ. It is normal for us to cooperate even in the climate of these differences, especially since the differences are natural and no one expects them to disappear.

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SHORTCOMINGS IN PREPARATION OF STUDIES FOR FIVE-YEAR PLAN PROJECTS

Tirana ZERI I POPULLIT in Albanian 11 Dec 83 p 1

[Editorial: "The Conclusion of Studies for the Next 5-Year Plan Will Not Tolerate Procrastinations or Superficial Work"]

[Text] Long ago, while implementing the directives of the Eighth Party Congress and the guidelines of the Political Bureau of the Party Central Committee, tasks were laid down and work started at all levels to complete the studies which will place the Eighth 5-Year Plan for developing our economy and culture on a scientific basis. This, as has been stressed, is a very important task for the party organs and organizations and, under their guidance, for the state and economic organs of the government, the mass organizations, the scientific institutions and for cadres and specialists in every field. The completion of these studies on time, with good scientific content, is linked to the drafting of a realistic, mobilizing and revolutionary plan which guarantees the rapid, all round development of the country, by relying completely on our own forces, on the uninterrupted increases in the well-being of the working masses and on strengthening the defense of the fatherland.

In drafting these studies, workers in scientific areas, specialists in enterprises and government departments now possess the experience they gained in drafting the Seventh 5-Year Plan and Comrade Enver Hoxha's work: "For the Seventh 5-Year Plan" which, together with other party teachings, provide valuable assistance for the completion of the work on time and with good quality. But, what is the real situation?

According to results so far, we have to say that the completion and delivery of studies is very much behind the schedule approved by the Council of Ministers. Thus, for example, until a few days ago the Ministry of Industry and Mines delivered only nine of 24 studies that were to be presented. The Ministry of Agriculture had presented only two studies out of a total of 25. Worse still, the ministries of construction, communications and others had not presented a single study. Delays of this kind will create serious consequences, because now that we are at the ideas and outline stage of the Eighth 5-Year Plan, the Central Planning departments do not have the necessary studies for the development of the petroleum, the extracting and enriching of minerals industries, the machine industry, the food and light industry, the consumer goods industry, and studies for expanding arable land, increasing agriculture and dairy

products, and so on. At a time when studies to increase the positive effects of social production should take an important place in the broad program of studies that will be completed, we cannot justify the fact that almost all government departments have failed to present studies to lower technological losses which are directly linked to a strict program of thrift.

Making for the time lost in completing the studies set for this year, is an important task, not only for the responsible specialists, study groups and respective ministerial departments, but also for the party organizations, which should guide and directly control research and scientific work for the coming 5-year period. They must struggle against all delays and the spirit of underestimating the situation; overcoming every obstacle and difficulty that prevents the fulfillment of this urgent task which concerns the future development of our country.

Recently the Council of Ministers by criticizing slowness, and setting concrete deadlines for the completion of projected studies, drew attention to the level and quality of the studies that were presented. The drafting of a realistic, mobilizing and revolutionary plan, which exploits the important skills and capabilities of our economy, as well as contemporary science and technology which respond to the requirements for the quantitative and qualitative development our economy cannot be achieved without deep, complex and coordinated studies. This means that in this process, superficial, biased and repetitive studies that have not been properly argued must be avoided.

We emphasize this point because we have seen these deficiencies in some of the studies that have been analyzed. Thus, for example, in the study for the development of the coal industry presented by the Ministry of Energy, we notice that alternatives and necessary calculations on how objectives will be achieved are missing. There are studies that lack explanations on the necessity and profitability of setting up lines and building projects. This is especially noticeable in the study presented by the Ministry of Industry and Mines for the production of certain chemical products. Some chemical products that require imported raw materials have been scheduled for production without considering that this will increase the list and cost of imports. And plans are under way for building a new chemical detergents plant in Tirana at a time when such an enterprise is being built in Stalin City, which will satisfy all the requirements of the country for detergents. In its study the Ministry of Agriculture has not even considered rainfall as a form of irrigation. The same thing can also be said of other studies.

According to the guidelines, studies have to be based on relevant balance sheets which should not be fantasies, beyond reality, but they must be realizable, sound and capable of responding to the situation and the capabilities of our economy. Studies must contain alternatives, indexes for cost effectiveness, profitability and for investments, etc., and they must consider the development of the branches of our economy in very close relationship one with the other. Keeping in mind these requirements, and other problems which are connected with these studies, is an absolute necessity for raising their qualitative standards. Therefore, specialists and government departments must not allow helter-skelter work, just to be "within the rules" for the deadlines.

On the contrary, every study must be assessed as a responsible job that will be realized by utilizing the studies that have been completed so far, our own experience and valuable world experience; with the closest cooperation possible between specialists from different fields and connections; at the grassroots and at headquarters.

This task will be realized as it should be only when it will be directed entirely by the party organs and organizations, by avoiding formalism, shallow, empirical and hurried work, and other harmful manifestations. At the center of these studies, for developing our economy and culture further and to guarantee a continuous improvement in the well-being of our people, should be the teachings and directives of the party and Comrade Enver Hoxha. Putting into motion the great strength and energy which we now possess will bring, as the party recommends, the important changes that are needed for the future. And, so, let us stride forward with the times.

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CS0: 2109/26

AGRICULTURAL LAND RESOURCE EXPLOITATION DISCUSSED

Prague PLANOVANE HOSPODARSTVI in Czech No 12, 1983 pp 33-44

[Article by Eng Michal Pavluc, Czech Bureau of Statistics: "Development of Irrigation and Soil-Fertility Improvement Facilities and Preservation of Agricultural Land Resources in the CSR"]

[Text] One of the basic and decisive prerequisites for continued growth of agricultural production under conditions of socialist mass production is continuous improvement of soil fertility as the basic and irreplaceable means of production in agriculture. Protection, promotion of soil fertility and viable utilization of land resources, which constitute a worldwide problem, are of extraordinary importance also under CSR conditions. The reason for this is the low per capita share of acreage (in 1981 it amounted to only 42 ares of agricultural and 32 ares of arable land) and the fact that a considerable part of agricultural land acreage shows evidence of reduced production capacity.

In management of agricultural land resources we have not succeeded in curbing to any substantial degree their losses so far. In comparison with the Fifth 5-Year Plan, when CSR agriculture lost over 21,000 ha [hectares] of agricultural land, the actual loss in the Sixth 5-Year Plan was three times as much. During the first year of the Seventh 5-Year Plan there occurred a loss of an additional 5,669 ha of agricultural and 1,202 ha of arable land. As confirmed by actual examples, expropriation was not guided in many cases by an effort oriented toward maximum preservation of land for agricultural primary production.

Our republic with a relatively low acreage of agricultural land resources--as of 1 January 1982 there were 4,303,300 ha of agricultural land--must gradually compensate for its losses by intensification of plant production and by utilization of all untapped production resources. Herein a weighty argument in the management of agricultural land resources is the fact that only a little over one-fifth of agricultural land acreage has very good prerequisites for production, 42.1 percent has good prerequisites and the remaining more than 35 percent is weaker and less suitable land.

One of the significant hidden resources in increasing plant production is constituted by fertility improvement measures of both an investment (construction of drainage and irrigation facilities, modification of water streams) and

non-investment character, primarily in reclamation of the so-called laid-off land resources (temporarily unused agricultural land), meadow and pasture lands.

The subsequent part of this contribution offers data regarding the extent of measures taken to promote soil fertility both in the total volume of means expended and in their classification expressed in capacity and value indicators for the CSR as a whole as well as for individual regions.

Irrigation and Drainage Projects

Over Kcs 5 billion were expended on investment amelioration projects in the course of the Sixth 5-Year Plan, a sum higher by Kcs 27 million than in the Fifth 5-Year Plan. In capacities it represented completed drainage and irrigation projects extending over more than 222,000 ha, modification of water streams over a length of 1,334 km as well as construction of fish breeding ponds and reservoirs, including irrigation reservoirs, with a total capacity of 2,240,000 cubic meters. However, in comparison with the Fifth 5-Year Plan, the constructed capacities amounted to less, except for irrigation facilities, of which 14,675 ha more were completed and turned over for use in the Sixth 5-Year Plan, while drainage facilities were down by 30,200 ha. The capacity of the constructed reservoirs and fish breeding ponds was down by 102,000 cubic meters in the Sixth 5-Year Plan from that of the fifth.

Even though difficulties were encountered in the course of the Sixth 5-Year Plan in implementing capital construction in the form of shortages of key construction materials, failure of some construction organizations to meet economic contracts, etc., the prescribed quota for drainage projects was met by 105.6 percent. An additional 912 ha were drained off by simple drainage as part of noninvestment soil-fertility improvement measures, so that the total drainage capacity in the Sixth 5-Year Plan reached 191,051 ha. The most successful year in these efforts was 1978 when 39,831 ha of drained areas were turned over for operational use, while the least extent of capacities--35,472 ha--was completed in 1980. The state quota of 29,300 ha was exceeded in the first year of the Seventh 5-Year Plan by 1,827 ha and an additional 1,078 ha were drained off by simple drainage as part of non-investment soil-fertility improvement projects. Reduction in the quota for construction of drainage facilities by 140,000 ha in the Seventh 5-Year Plan, in comparison to 180,000 ha in the sixth, occurred as the result of lower total appropriations for the CSR MZVs [Ministry of Agriculture and Food].

In the area of irrigation projects the quota set by the Sixth 5-Year Plan at 28,248 ha was met by 115.1 percent. As can be seen from the following outline, Kcs 625.3 million were expended in the Sixth 5-Year Plan on irrigation projects, representing 12.3 percent of the total volume of resources for investment-type amelioration projects. A higher exceeding of the quota in irrigation projects in the Sixth 5-Year Plan was precluded by the situation in 1980, when the state plan was met by 99.7 percent.

Table 1. Volume of Financial Resources Expended in CSR Agriculture During the Sixth 5-Year Plan on Completed Amelioration Projects and Extent of the Constructed Capacities.

	(1) Skuteč- nost 1978-80	(2) z toho rok 1980	(3) 6.5LP (4) 5.5LP	Index 1980 1978
(5) Investice celkem v mil. Kčs	5 088,4	1 054,4	100,5	107,3
(6) v tom:				
(7) odvodnění celkem	3 639,2	749,8	104,4	109,8
(8) z toho drenáže	2 883,7	598,8	109,8	118,4
(9) závlahy	825,3	180,5	148,2	258,4
(10) úprava vodních toků	777,7	138,8	107,4	59,3
(11) výst. rybníků a nádrží	23,5	7,3	130,5	157,0
(12) Kapacity získané výstavbou:				
(13) odvodnění v ha	190 139	35 472	88,2	91,8
(14) závlahy v ha	32 513	5 984	182,3	257,0
(15) kostry odvodnění v km	2 453	457	82,1	78,3
(16) úprava vodních toků v km	1 334	229	89,2	60,2
(17) rybníky a nádrže vč. závlahových v tis. m ³	2 240	913	104,0	115,2

Key:

(1) Actual state in 1978-80	(11) Constr. of fish breeding ponds & reservoirs
(2) of which for year 1980	(12) Capacities obtained through construction of
(3) Sixth 5-Year Plan	(13) Drainage in ha
(4) Fifth 5-Year Plan	(14) Irrigation in ha
(5) Total investments in millions of Kcs	(15) Length of drainage frameworks in km
(6) of which:	(16) Modification of water streams in km
(7) Amelioration total	(17) Fish breeding ponds and reservoirs, including irrigation reservoirs, in 1,000 m ³
(8) of which drainage projects	
(9) Irrigation projects	
(10) Modification of water streams	

Results achieved in the first year of the Seventh 5-Year Plan in the area of continued improvement of soil fertility of agricultural land resources-- despite the difficulties persisting in the sphere of supply and demand relations, procurement of basic construction materials, mechanisms and production capacities--were on the whole favorable. The extent of operations in completed construction projects, amounting to a total of Kcs 1,995 million, was higher by Kcs 29 million than the actual state achieved in 1980. Faster progress in the investment-type amelioration projects, particularly irrigation, was precluded primarily by difficulties encountered in providing sites with construction materials, problems encountered in the breakdown of technological equipment and shortage of replacement parts. While stricter regulations for protection of land resources do become reflected in curbing expropriations of agricultural land, they tend to reduce revenues of the State Fund for Improvement of Soil Fertility which constitutes the key financial resources for

subsidizing capital construction by agricultural organizations, the State Amelioration Administration (SMS) and other socialist agricultural organizations. The temporary shortage of financial resources for the Fund for Planned Investments was resolved by the CSR MZVz in cooperation with the CSR MF [Ministry of Finance]. Limitations on financial resources for investments became reflected also in reductions in the plan of capacities for 1982, particularly in irrigation projects. In comparison to the actual state in 1981, when 7,710 ha of irrigations were built, the state plan stipulated 5,500 ha for 1982. The planned level of drainage projects amounting to 29,700 ha was also lower than that attained in 1981.

Extent of Implemented Soil Fertility Improvement Measures

An equally significant part of soil fertility improvement measures are non-investment type projects. These include primarily reclamation, land and anti-erosion modifications, amelioration liming, simple drainage and other operations which today represent a significant untapped resource for continued increases in the yield of plant production. The significance of non-investment type projects is borne out by the fact that their share in total inputs into land resources reached in the last year of the Sixth 5-Year Plan as much as 46.4 percent, as compared with the 26 percent achieved in the last year of the Fifth 5-Year Plan. In 1981 it increased to almost 48 percent. In absolute volume the amount expended on non-investment type fertility improvement projects in the Sixth 5-Year Plan was Kcs 3.8 billion, in comparison to the Kcs 2.8 billion expended in the Fifth 5-Year Plan. The acreage on which non-investment type fertility improvement measures (NZO) were implemented reached 1,170,000 ha, which represents 27.2 percent of the total acreage of agricultural land.

The results obtained in NZO in 1981 were also favorable. The amount of Kcs 954.8 million expended on these projects represented almost 48 percent of all inputs into land resources and was higher by 4.7 percent than in 1980. The extent of completed capacities was in all regions higher than called for by the quota determined on the basis of the comprehensive program for improving soil fertility in the Seventh 5-Year Plan. More than one-fifth of the total extent of 280,392 ha of areas with improved soil fertility was constituted by reclamation projects. Good results were achieved in the most difficult group, i.e., temporarily unused and non-agricultural land. In the former case this represents reclamation of almost 5,513 ha with the quota exceeded by 25 percent, and in the latter case 1,327 ha, which exceeded the plan by 54.2 percent. The 1982 quota for reclamation of temporarily unused land was 5,080 ha, for non-agricultural land 849 ha. Nevertheless, meeting of tasks in non-investment type fertility improvement projects proved rather difficult due to the difficulties encountered in subsidizing non-investment type projects from the State Fund for Soil Fertility Improvement and the necessity for economizing in the use of fuels.

Even though the need for expenditures to be spent on fertility improvement projects considerably exceeds those expended to date, the constantly increasing volume of resources for soil fertility improvement bears witness to a goal-oriented approach to the problem of providing nutrition for the populace from our own resources. Just over the past 6 years the overall expenditures for

improving the fertility of the CSR's agricultural land resources, in recomputation per hectare of agricultural land, increased from Kcs 350 in 1976 to Kc 463 in 1981 (in 1971 they amounted to Kcs 234), i.e., an increase of almost one-third.

Table 2. Volume of Financial Resources Expended During the Sixth 5-Year Plan in CSR Agriculture on NZO and Extent of Implemented Projects

	(1) Skutečnost 1978-80	(2) z toho rok 1980	Index (3) 6. 5LP (4) 5. 5LP	1980 1976
(5) Neinvestiční práce celkem v mil. Kčs	3 780,0	811,8	137,0	106,0
(6) v tom:				
(7) rekultivace celkem	2 096,3	539,9	138,1	305,7
(8) luk a pastvin	1 090,3	233,8	128,2	138,7
(9) písčitých a těžkých půd	208,5	80,8	58,7	352,4
(10) nevyužívaných půd	799,5	215,5	252,8	277,7
(11) meliorační vápnění	539,9	141,8	219,0	182,8
(12) protierozní opatření	179,8	61,0	—	743,9
(13) ostatní práce ¹	884,2	189,3	90,9	81,2
(14) Rozsah provedených prací v ha:				
(15) rekultivace luk a pastvin	184 834	31 742	113,5	113,2
(16) rekultivace písčitých a těžkých půd	109 888	31 472	75,7	318,2
(17) rekultivace nevyužívaných půd	38 251	9 320	185,7	194,0
(18) meliorační vápnění	751 848	194 028	305,0	236,8
(19) protierozní opatření	105 304	29 036	—	1 085,1
(20) jednoduché odvodnění	912	815	—	—

Key:

- | | |
|--|---|
| (1) Actual state 1978-80 | (13) other projects |
| (2) of which in 1980 | (14) Extent of implemented projects
in ha: |
| (3) Sixth 5-Year Plan | (15) Reclamation of meadow and pasture
lands |
| (4) Fifth 5-Year Plan | (16) Reclamation of sandy and heavy
soils |
| (5) Non-investment projects total in
millions Kcs | (17) Reclamation of unused soils |
| (6) of which: | (18) Amelioration liming |
| (7) Total reclamation | (19) Anti-erosion measures |
| (8) Meadow and pasture lands | (20) Simple drainage |
| (9) Sandy and heavy soils | |
| (10) Unused land | |
| (11) Amelioration liming | |
| (12) Anti-erosion measures | |

¹ Expenditures for terrain modifications, maintenance, repair and operation of amelioration systems and other non-investment type projects not specifically identified.

The Seventh 5-Year Plan also puts emphasis on planned improvements of the fertility of agricultural land resources and the latter's expansion by land that still lies fallow. Acceleration of this process should be enhanced, among other things, also by a modified classification of construction categories approved for the agricultural sector by CSSR Government Resolution No 249 of 18 September 1981 and adapted to its conditions in the "Principles for Regulation of Special Agricultural Investments and Their Characteristics" issued by the CSR MZVz on 13 April 1982 under reference no 355/82-321. This resolution did away in the agricultural sector with the existing categorization of constructions into below Kcs 2 million and above Kcs 2 million of budgeted costs and specified a new categorization of construction projects up to and in excess of Kcs 5 million of budgeted costs. At the same time the provisions of this resolution expand as of 1982 the scope of special agricultural investments, the so-called green investments, to include also amelioration projects, specifically drainage projects up to Kcs 5 million of budgeted costs, for adaptations of small water streams as well as for small water reservoirs and fish-breeding ponds.

Drainage of Waterlogged Land

Almost 960,000 ha of agricultural land were drained throughout the course of the Sixth 5-Year Plan in CSR agriculture; an additional 365,000 ha are still waterlogged. These areas offer low yields as the result of an unfavorable ratio between air and water in the soil horizon. It was at the same time proven on the basis of the latest findings that with adherence to agrotechnical procedures, drainage increases gross plant production in recomputation per ha, e.g., in beet-growing regions by Kcs 3,900, in potato-growing regions by Kcs 3,200 and in mountainous and foothill regions by approximately Kcs 3,000. Many measures implemented to improve the situation in investment-type amelioration projects already in the course of the Fifth 5-Year Plan became favorably reflected in meeting the plan for construction of drainage capacities in the Sixth 5-Year Plan.

More than Kcs 2.8 billion (in current prices) were expended on construction of 190,100 ha of drainage, i.e., an average of Kcs 15,061 per ha. New technology, viable materials (piping materials made of polyvinyl chloride, foils Polynesc, Bituntex) and newly used mechanisms become in spite of their positive effect--improved labor productivity--reflected in increasing investment costs. Whereas 1 hectare of drainage cost an average of Kcs 12,972 in 1975, in 1980 it cost as much as Kcs 3,853 more, which represents an almost 30 percent increase. For that reason the cost effectiveness of implemented projects must continue to be in the foreground of interest of personnel at all levels of management. In comparison to 1980, in 1981 there occurred another 4.9 percent increase in costs.

Thus, the area of cost optimization should involve strict adherence to price policy, selection of the most suitable type of amelioration measure, a search for new viable and yet relatively inexpensive construction methods and maintenance of technological discipline. At the same time, each amelioration project should be preceded by a thorough economic assessment of its cost-benefit ratio while meeting landscaping and hydropedological requirements.

Table 3. Drainage Capacities Completed in the Sixth 5-Year Plan

(7) Kraj	(1) Skutečnost		(3) % plnění úkolu 8. SLP	(4) Podíl krajů	Index	
	1976-80 in ha	(2) z toho rok 1980			(5) 8. SLP (6) 5. SLP	1980 1976
(8) Středočeský ¹	22 421	4 247	101,9	11,8	83,1	96,1
(9) Jihočeský	48 322	9 185	100,1	25,4	83,1	79,4
(10) Západočeský	30 889	5 199	101,7	18,2	105,4	72,0
(11) Severočeský	10 177	1 954	111,3	5,4	104,4	108,0
(12) Východočeský	27 803	5 523	104,0	14,6	100,8	82,9
(13) Jihomoravský	21 608	3 920	123,5	11,4	58,7	56,8
(14) Severomoravský	28 941	5 444	111,3	15,2	91,0	76,5
(15) CSR	180 139	35 472	105,6	100,0	88,2	77,6

Key:

- | | |
|--|-----------------------------------|
| (1) Actual state | (8) Central Bohemian ¹ |
| (2) of which in 1980 | (9) South Bohemian |
| (3) Percentage of meeting quota of Sixth 5-Yr Plan | (10) West Bohemian |
| (4) Share of regions | (11) North Bohemian |
| (5) Sixth 5-Year Plan | (12) East Bohemian |
| (6) Fifth 5-Year Plan | (13) Southern Moravian |
| (7) Region | (14) North Moravian |
| | (15) CSR |

¹Including the capital city of Prague

The area of technological development is coming up with new viable drainage methods, the results of which, achieved abroad, e.g., in the GDR and the USSR, are gradually being implemented in practice. One of these viable methods is combined (two-state) drainage. In comparison with the traditional areal drainage, combined drainage is functionally more effective and makes it possible to cut down investment costs by approximately Kcs 1,500 per ha, increase labor productivity by more than 50 percent and net income per ha by more than Kcs 700. In 1980-81 this drainage system was applied within the framework of investments to almost 900 ha. An additional 500 ha were planned for 1982, with 1,090 being completed.

Construction of drainage trench networks, serving for evacuation of surface and drainage waters, also continued successfully in the Sixth 5-Year Plan. Kcs 776.2 million were expended on building 2,453 km of them, meaning that the total volume of resources expended on completed drainage, i.e., including drainage ditches, reached an amount of Kcs 3,639,900,000, representing almost 72 percent of the means expended on investment-type amelioration projects.

Construction of new capacities expanded drained areas to 958,000 ha in the CSR by the end of 1982, representing almost 22 percent of the total acreage of agricultural land. In view of the total acreage of land requiring drainage (1,323,000 ha) and the capacities built so far (958,000 ha), 440,000 ha still remain to be drained (365,000 ha + 75,000 ha for increased demand due to linear

structures and increased demands on soil quality), together with redesign of inadequate drainage facilities on an area of more than 370,000 ha.

Almost 70 percent of the total amount of Kcs 1,039,900,000 for investment-type projects was expended in the first year of the Seventh 5-Year Plan on drainage; 31,127 ha were turned over for utilization. An additional 1,078 ha were drained by non-investment type projects and as part of restructuring of the drainage network 250 ha were drained during the laying of the transit gas pipeline. An additional 3,074 ha accrued from implementation of the research task C-11-329-002 (combined--two-stage drainage). Thus, the total area drained in 1981 as part of both investment and non-investment type operations for soil fertility improvement increased to 35,529 ha. Attainment of better results was precluded by many factors. Main among them was a progressing shortage of key construction materials such as, e.g., reinforcing plates, baked and flexible tubing and pipes, centering and backfilling materials. Contracting organizations are experiencing increasing problems with their pools of machinery that have been exposed to considerable wear and tear, showing high outage times due to shortage of selected replacement parts. For the time being there is also a lack of special mechanized equipment for amelioration projects in hilly terrain.

In spite of the good results achieved in amelioration, there also exist certain untapped resources and shortcomings. The thing that is needed in drainage as well as in irrigation is keeping existing facilities operational and using them effectively. From the final technoeconomical assessment of the completed monitoring of production results in 1981 it follows that in almost 47 percent of the total of 79 assessed projects the envisioned gross plant production failed to be met.

Irrigation Projects

While there was a considerable increase in irrigation capacities that were put to use in the Sixth 5-Year Plan, the demand for additional facilities is even higher. According to the last comprehensive soil survey, the acreage of land requiring irrigation amounts to 476,000 ha. After subtracting the 120,000 ha that have already been provided with irrigation facilities, a full 356,000 ha remain to be provided in the next period.

The quotas specified for irrigation projects were considerably exceeded in the course of the Sixth 5-Year Plan. However, in its last year progress was accompanied by difficulties encountered in deliveries of electric motor sets for pumping stations, connecting materials, fittings and adapting pipes. The situation was unsatisfactory also in the supply sphere, specifically in the failure of the Brno and Sigma Hranice Agricultural Constructions on the Morava River, which provides technological equipment, to include installation, and of other contractors to honor their economic contracts.

Kcs 625.3 million were expended on irrigation projects, which is more by 47.7 percent than in the Fifth 5-Year Plan. The fact that the cost for irrigation of 1 ha, including the cost of building irrigation reservoirs, reached Kcs 26,800 in the last year of the Sixth 5-Year Plan proves how demanding they are on investments and highlights the necessity for maximum utilization of the expended resources.

Table 4. Irrigation Capacities in CSR Agriculture Completed in the Sixth 5-Year Plan

Kraj (7)	Skutečnost (1)		% plnění (3)	Podíl (4)	Index	
	1976-80 v ha	z toho rok 1980 (2)			6. 5LP (5) 5. 5LP (6)	1980 1975
Středočeský ¹ (8)	3 328	738	74,8	10,2	72,1	1 314,3
Jihočeský (9)	487	124	440,6	1,4	181,2	—
Západočeský (10)	585	78	443,2	1,8	89,7	30,0
Severočeský (11)	8 708	804	150,8	20,8	1 148,8	2 418,0
Východočeský (12)	2 884	580	101,9	8,9	72,4	188,2
Jihomoravský (13)	18 887	3 584	118,5	51,9	231,2	3 098,1
Severomoravský (14)	1 874	318	93,8	5,2	401,4	327,8
CSR (15)	32 513	5 984	115,1	100,0	182,3	697,4

Key:

- | | |
|--|-----------------------------------|
| (1) Actual state | (8) Central Bohemian ¹ |
| (2) of which in 1980 | (9) South Bohemian |
| (3) Percentage of meeting quota of Sixth 5-Yr Plan | (10) West Bohemian |
| (4) Share of regions | (11) North Bohemian |
| (5) Sixth 5-Year Plan | (12) East Bohemian |
| (6) Fifth 5-Year Plan | (13) Southern Moravian |
| (7) Region | (14) North Moravian |
| | (15) CSR |

¹Including the capital city of Prague

Construction of new capacities increased the total irrigable area of the CSR to 100,149 ha by the end of 1980, which represents 2.3 percent of agricultural land; the share of irrigable areas for the CSSR amounted to not quite 5 percent. In comparison with the socialist CEMA countries, such as the GDR and Hungary, where the share of irrigation facilities represents 7 percent of agricultural land, with 15 percent in Romania and 20 percent in Bulgaria, our share is the lowest. In the course of the Seventh 5-Year Plan the CSR is to provide irrigation facilities for an additional 28,000 ha which would increase irrigable area acreage to 130,000 ha.

In the first year of the Seventh 5-Year Plan the SMS managed to exceed the state plan quota of 6,849 ha by concluding economic contracts for 8,527 ha with its contractors. However, only 7,710 ha of this higher quota was actually turned over for use after completion and testing. Meeting of the implementation plan to 90.4 percent was due to causes that the SMS was unable to alleviate in 1981, even with the assistance of ministerial and regional organs. For example, despite a concluded economic contract and assessment of penalties, Sigma Hranice failed to complete in the North Bohemian region installation operations on the Ploskovice, Vroutek and Racetice projects. Considerable problems were encountered in procuring basic materials such as concrete pipes, polyethylene pipelines and pipeline finishing materials. Difficulties were also caused by lagging progress in the installation of motor-powered high-voltage distribution systems by Sigma Hranice/M.

Closely connected with irrigation projects is also construction of irrigation reservoirs and fish breeding ponds built as a source of water for stationary and mobile irrigation systems. The existing rate of progress in building these facilities is rather slow in view of the need for irrigation facilities. In comparison to the last year of the Sixth 5-Year Plan, when the total volume of reservoir and ponds was 913,600 cubic meters, the actual volume in the first year of the Seventh 5-Year Plan was 951,000 cubic meters and the plan for 1982 envisioned an increase to 1,065,000 cubic meters. Of the total capacity of 2,239,700 cubic meters of ponds and reservoirs, including those for irrigation purposes, built in the Sixth 5-Year Plan (2,342,000 cubic meters in the Fifth 5-Year Plan), almost 70 percent accrue to the South Moravian region. Increased attention will have to be paid in the coming period to this sector, particularly in the linkage between construction and utilization of medium and small area irrigations, because they represent a considerable untapped resource for increased plant production. CSSR Government Resolution No 249 of 18 September 1981 extended the scope of application of the so-called special agricultural investments also to construction of small water reservoirs and fish ponds which provided the prerequisites for a faster rate of progress of these operations.

Utilization of Irrigation Facilities

Utilization of irrigation facilities has received a considerable amount of attention in the course of the Sixth 5-Year Plan. Even though it has improved on the average by 9 percent in comparison with the Fifth 5-Year Plan, in many agricultural enterprises it is still inadequate. From the overall capacity of 67,115 ha of irrigable area in large-scale irrigation facilities, e.g., the plan envisioned utilization of only 48,149 ha in 1980, leaving facilities that covered an area of almost 19,000 ha unused, with 9,095 ha not being used among medium- and small-scale facilities. This means that over 28,000 ha of irrigable area was not used at all in 1980 (25,000 ha in 1979). At the same time the plan for utilization of large-scale irrigation facilities was met in 1980 by 70.4 percent, in medium- and small-scale facilities by 45.3 percent, with 55.2 percent pumping of the total planned water consumption by irrigation facilities. These facts prove that there is room for improvement in every agricultural enterprise. The approach to increased utilization of irrigation facilities should proceed primarily via a change in the structure of sowing and planting, i.e., incorporation of intensive production onto irrigable land that would make full use of the entire complex of water management as the basic factor for achieving high yields of the plants under cultivation. A shortage of qualified operations, high breakdown rate of equipment and shortage of replacement parts are additional factors precluding improved utilization of irrigation facilities.

While utilization improved in 1981, not even a single sprinkling or spraying was performed on about 42,000 ha of irrigable areas representing 41.3 percent of all irrigation capacities. At the same time the year 1981 turned out to be relatively dry, as borne out by water consumption for irrigation purposes. The plan for pumping 65.8 million cubic meters was met by 92.1 percent in comparison with 55.2 percent in 1980, and the utilization of the irrigable area stipulated by the plan in large-scale irrigation facilities was met by 87.1 percent, and by 71.7 percent in medium- and small-scale irrigation facilities.

A topical problem attendant to irrigation is also the existing method used to account for the degree of its utilization which does not call for systematic application of irrigation in specified periods of time. Irrigating a field only once a year is enough to account for a 100 percent utilization of irrigation facilities. At the same time it is a matter of common knowledge that this method of assessment is not entirely objective in relation to yields. Individual plants require, on the average, two to six irrigation doses a year. The existing method of assessment exaggerates the degree of utilization which in reality is lower. The SMS has been developing an effort toward introducing a more objective method for assessing the utilization of irrigable facilities for several years. It is up to control organs in general and up to the research base in particular to incorporate these requirements into a new methodology. This problem has been dealt with for several years by the Regional SMS of the Central Bohemian region. It supplemented the existing method for assessing the utilization of irrigation facilities by a new assessment based on the principle of meeting the watering needs of plants planted on an irrigable area.

No-investment Type Fertility Promotion Measures

The volume of resources expended on NZO in the CSR in the Sixth 5-Year Plan exceeded that of the Fifth 5-Year Plan by 36.8 percent. Almost one-fifth of this volume accrues to the North Moravian region.

Table 5. Volume of Financial Resources Expended on NZO in CSR Agriculture During the Sixth 5-Year Plan

(7) Kraj	(1) Skutečnost		(4) Podíl krajů	(5) Index 1980/1975	(6) Objem NZO v přepočtu na 1 ha zem. půdy v Kčs	
	(2) v 6. pěti-letce v mil. Kčs	(3) v roce 1980			1980	index 1980/75
(8) Středočeský ¹	439	155	12,9	318,3	287	381,4
(9) Jihočeský	469	97	12,4	142,8	188	145,8
(10) Západočeský	887	153	17,8	288,7	298	298,0
(11) Severočeský	308	97	8,1	312,9	249	327,8
(12) Východočeský	489	100	12,9	370,4	149	372,5
(13) Jihomoravský	815	171	18,3	258,1	189	282,5
(14) Severomoravský	745	139	19,8	189,5	253	173,3
(15) ČR	3 780	912	100,0	242,5	212	248,5

Key:

- | | |
|---|-----------------------------------|
| (1) Actual state | (7) Region |
| (2) In the Sixth 5-Year Plan in millions of Kcs | (8) Central Bohemian ¹ |
| (3) In 1980 | (9) South Bohemian |
| (4) Share by regions | (10) West Bohemian |
| (5) Index for 1980/1975 | (11) North Bohemian |
| (6) Volume of NZO in recomputation per 1 ha of agricultural land in Kcs | (12) East Bohemian |
| | (13) Southern Moravian |
| | (14) North Moravian |
| | (15) CSR |

¹Including the capital city of Prague

The most successful year with regard to volume of resources expended on NZO was 1980, during which the performed operations amounted to Kcs 912 million, as compared to Kcs 553 million in 1976. Good organization of operations and utilization of capacities in the most difficult group of recultivation efforts, i.e., temporarily uncultivated and non-agricultural lands, where quotas were considerably exceeded. The amount expended on NZO in 1981 was Kcs 954.8 million, which amounted to almost full 50 percent of total inputs into land. The total recultivated area amounted to 280,400 ha with an average cost of Kcs 3,405 per ha, in comparison with Kcs 3,084 in 1980.

A full 55.4 percent of the total volume expended on NZO accrued to reclamation operations. The total area reclaimed covered 312,000 ha, of which 52.7 percent accrued to meadow and pasture lands, 35.1 percent to sandy and heavy soils and 12.2 percent to previously unused land.

Table 6. Extent of Reclamation Projects by Regions in the Course of the Sixth 5-Year Plan

(7) Kraj	(1) Rekultivace v ha			(5) Index rekultivaci celkem (6) 6. SLP/5. SLP
	(2) luk a pastvin	(3) písčitých a těžkých půd	(4) nevyuží- vaných půd	
(8) Středočeský ¹	11 908	29 798	2 872	85,8
(9) Jihočeský	24 239	2 805	7 535	80,0
(10) Západočeský	28 733	1 321	8 077	102,4
(11) Severočeský	13 805	3 846	3 740	80,1
(12) Východočeský	31 158	22 780	5 235	182,2
(13) Jihomoravský	20 224	29 708	6 544	94,1
(14) Severomoravský	34 575	19 805	4 242	95,4
(15) ČR	184 834	108 888	38 251	89,0

Key:

- | | |
|---------------------------------|-----------------------------------|
| (1) Reclamation in ha | (8) Central Bohemian ¹ |
| (2) Meadow and Pasture Lands | (9) South Bohemian |
| (3) Sandy and heavy soils | (10) West Bohemian |
| (4) Unutilized soils | (11) North Bohemian |
| (5) Index of total reclamations | (12) East Bohemian |
| (6) Sixth 5-Yr/Fifth 5-Yr Plan | (13) Southern Moravian |
| (7) Region | (14) North Moravian |
| | (15) ČR |

¹Including the capital city of Prague

Into the foreground of meeting the extraordinarily demanding tasks in bulk fodder production comes the problem of accelerating and improving the reclamation of permanent grasslands. For example, as of 1 January 1980 meadows represented 13.3 percent and pastures 6.3 percent of the total acreage of agricultural land in the CSR. At the same time, more than two-fifths of these areas are located in regions with less than favorable production conditions. In the CSR there are 200,000 ha of waterlogged meadows and pastures alone and

the comprehensive fertility improvement program calls for reclaiming about 240,000 ha, i.e., 41 percent of the total meadow and pasture land acreage. Even though yields per hectare from meadows and pastures have been increasing from year to year (in 1980 the yield of 3.83 tons per ha exceeded that of 1975 by 0.33 ton), all potential for continued increases in the production of grass fodders is far from exhausted.

Of the total 109,700 ha of sandy and heavy soils reclaimed in the Sixth 5-Year Plan, the highest share of operations (27.1 percent) accrues to the South Moravian region, and the lowest (1.2 percent) to the West Bohemian region. The extent of reclaimed capacities was lower by 24.3 percent than in the Fifth 5-Year Plan (when 144,800 ha were reclaimed). The plan for comprehensive reclamation in the Seventh 5-Year Plan includes 68,944 ha of the total need for 520,000 ha of sandy soils reclamation after 1980 (with 157,000 ha accruing to sandy and 363,000 ha to heavy soils).

A significant untapped resource for the expansion of agricultural land resources is represented by reclamation of temporarily uncultivated and nonagricultural land. At the outset of the Seventh 5-Year Plan the acreage of temporarily uncultivated land and of that temporarily removed from agricultural production represented 107,000 ha. Reclaimed uncultivated land turned over for utilization during the Sixth 5-Year Plan amounted to 38,200 ha, i.e., 15,200 ha more than in the Fifth 5-Year Plan. More than two-fifths of the reclaimed areas accrue to the West and South Bohemian regions at a cost of Kcs 15,100 per reclaimed ha, as compared to the CSR average of Kcs 20,900. These costs understandably differ according to the state and location of the land in question and can amount to even more than Kcs 50,000.

Despite the considerable expenditures of financial resources, from the viewpoint of societal needs these reclamation measures must be considered to be effective. If we expect, e.g., to get out of reclaimed land only one-half of the average intensity of agricultural production achieved per 1 ha, we come to the conclusion that the expended resources will be recovered in approximately 8 years. If we take into consideration increases in the prices of foods and grain on the world's markets, then the recovery time is cut down to approximately 4 years. The proposed comprehensive program for improving the fertility of soils envisions for the Seventh 5-Year Plan reclamation of 26,709 ha of previously unused land and 4,730 ha of nonagricultural land.

Modification of soil reaction by liming is at the present time becoming not only a limiting factor for effective utilization of industrial fertilizers, but also a prerequisite for maintaining and gradually improving the structure, physical and sorption properties of our soils. Even though in comparison to the Fifth 5-Year Plan the limed area increased more than twofold in the Sixth 5-Year Plan and reached 752,000 ha, the actual need is substantially higher. According to the latest findings of the Agricultural Central Control and Testing Institute, total requirements for liming applied at the outset of the Seventh 5-Year Plan amounted to 1,512,000 ha of agricultural land which, represents 35.1 percent of its total acreage, and an additional 1,918,000 ha called for maintenance liming. Faster progress of operations is precluded for the time being by the short supply of calcareous fertilizers. Their producers cover

the needs of the CSR MZVz sector by approximately 75 percent. For that reason the sector of metallurgy and heavy machine building was assigned the task of providing deliveries of up to 1 million tons of ground blast-furnace slag annually by 1986. This led to accelerated construction of a new slag grinding plant in the Trinec Ironworks, to the overhaul of the grinding plant in the Vitkovice Ironworks and to the construction of a combined plant in the East Slovak Ironworks of Kosice.

Meeting the increasing production quotas in agriculture with simultaneous losses of agricultural land can be achieved, provided that the existing untapped land resources are incorporated into the production process, primarily land temporarily removed from it and temporarily uncultivated, and that inputs into land increase throughout the entire complex of measures designed to improve the fertility of land resources systematically. In support of these measures there was established the State Fund for Soil Fertility Improvement (hereafter SFZP), the mission of which is to use financial inputs from payments for expropriation of agricultural land and from allocations from the state budget for making a maximum contribution to the construction of new amelioration capacities and the implementation of non-investment type fertility improvement measures and maintenance, and for the trouble-free operation of existing facilities.

Generation of SFZP Resources

Payments made to SFZP for expropriations of agricultural land amounted in the course of the Sixth 5-Year Plan to a total of Kcs 4,180.7 million, representing almost 70 percent of its total resources, which reached Kcs 6,058.4 million. The planned amount of revenues from expropriations of agricultural land was exceeded by 2.1 percent, with a considerably differing meeting of annual budgets in individual years. Another SFZP source was allocations from the state budget in the amount of Kcs 1,834.3 million, which constitutes 30.3 percent of its total resources, and other income that with a sum of Kcs 43.4 million constituted less than 1 percent. By the end of 1980 the total resources of the fund reached the sum of Kcs 1,222.3 million, which was 5.6 percent under what the budget called for. This reduction was caused by tightening up measures applying to expropriations of agricultural land and an overall cutback on capital construction which became reflected in reduced appropriations of agricultural land of higher quality. Thus, with a promise of subsidies by the SFZP, median levels of state agricultural management must determine their amount by differentiating between the earning potential of enterprises-investors.

Utilization of SFZP Resources

Total SFZP expenditures in the course of the Sixth 5-Year Plan reached the amount of Kcs 6,037.8 million and were lower by only Kcs 206 million than the total actual revenues. Kcs 3,890.7 million were expended on subsidies for capital construction, Kcs 2,139.8 million for NZO, maintenance and operation of water streams and key amelioration facilities. From the total amount of Kcs 6,030.5 million, subsidies to the SMS represented 38.8 percent, with the remaining 61.2 percent being allocated to investment- and non-investment-type

fertilization improvement measures undertaken at their own expense by JZD's [unified agricultural cooperatives], state farms, centrally controlled agricultural organizations and other organizations. The amount of subsidies granted by the SMS for capital construction ranged around 97 percent of RN [budgeted expenses], 58 percent for JZD's and 67 percent for state farms. Full subsidies were provided in NZO for expenses connected with the operation and maintenance of water streams and key amelioration facilities administered by the SMS. The amount of subsidies for NZO undertaken at own expense amounted to 60 percent of RN for JZD's and 75 percent of RN for construction projects of state farms.

The subsidy policy applied in the course of the Sixth 5-Year Plan took into consideration the difficult natural conditions encountered primarily in border areas farmed prevalently by state farms. For all practical purposes, here the granted subsidies ranged up to 90 percent of RN for construction projects. Among noninvestment-type fertility improvement measures priority in granting subsidies was given to reclamation of temporarily uncultivated agricultural and nonagricultural land, practically up to the entire amount of RN, and for reclamation of meadow and pasture lands.

As a consequence of limitations on capital construction and tightening up of measures designed to protect agricultural land resources, there is also occurring a reduction in the key source of SFZP revenues from payments for expropriation of agricultural land. Thus, its resources must be oriented toward projects that provide the greatest contribution to the economy. However, protection of the environment and of water sources calls also for expanded utilization of resources of the State Water Management Fund. In the case of fertility improvement measures of the non-investment type it will then be necessary to hold investors expropriating agricultural land responsible to the maximum for their obligation to provide at their own expense for the reclamation of temporarily uncultivated or nonagricultural land, minimally to the extent of the expropriated land's acreage, as called for by CSR MZVz Ministerial Directive No 528/82-11 of 12 February 1982.

Outline of Amelioration and Soil Fertility Promotion Measures

Progress of the development of amelioration and soil fertility promotion measures during the Sixth 5-Year Plan was on the whole satisfactory. Quotas in investment-type construction were met, with the exception of the construction of irrigation reservoirs, fish breeding ponds and adaptation of water streams. Increases can also be seen in the volume of resources expended on soil fertility promotion projects of the non-investment type, the share of which reached almost one-half of all inputs into land. However, as emphasized in documents from the 13th Plenum of the CPCZ Central Committee in 1979 and the 16th CPCZ Congress, agriculture is facing formidable tasks in the area of protection and effective utilization of all agricultural land resources as well as continued improvement of their yield.

As much as 72.4 percent of the potential need for drainage facilities were met by new construction in early January 1981, representing 958,000 ha. However, in addition to meeting the remaining needs, it will also be necessary to overhaul obsolescent drainage systems by draining an area of more than 370,000 ha.

The quota set for the Seventh 5-Year Plan is drainage of 140,000 ha. More than two-fifths of the planned capacity are to be implemented in the South and West Bohemian regions, the least extent, not quite 5 percent, in the North Bohemian region. The situation in the construction of irrigation in the Sixth 5-Year Plan showed an improvement over the Fifth 5-Year Plan. Construction of new capacities increased the total area irrigable by spraying in CSR agriculture to 100,200 ha, which represents 2.3 percent of the total acreage of agricultural land. Despite the increased rate of construction of irrigation in the course of the Sixth 5-Year Plan, additional demands on their construction are considerably higher; as of 1 January 1981 the acreage of agricultural land requiring irrigation amounted to 356,000 ha. The quota set for the Seventh 5-Year Plan is to construct 28,000 ha of irrigation facilities, with more than three-fifths of them to be implemented in the South Moravian and North Bohemian regions.

In addition to the construction of new irrigation capacities, there remains the very topical problem of the degree of their utilization. Despite the fact that in 1981 the plan for utilization of large-scale irrigation increased as much as 87.1 percent, not even a single spraying was applied to more than 40,000 ha which constitute two-fifths of all irrigation capacities. This situation should be dealt with primarily by changing the structure of plants cultivated on irrigable areas, improved organization in management of irrigation operations and the technological level of irrigation facilities, and also by a more responsible approach of agricultural organizations to the maintenance of such facilities.

The cost-benefit ratio of implemented constructions in investment-type amelioration constructions must continue to be the focal point of interest of all personnel at all levels of management. Increased attention will have to be devoted on the part of agricultural enterprises, the SMS, OZS [Regional Agricultural Administration] and the SBCs [Czechoslovak State Bank] also to control and assessment of the ultimate productive and economic effect of the implemented construction projects.

A factor of no less importance are soil fertility improvement projects of a non-investment nature. It is envisioned to apply them--on the basis of the comprehensive program for soil fertility improvement in the Seventh 5-Year Plan with an outlook to the subsequent period--in the following extent: of the total need for 338,000 ha of reclamation projects after 1980, the quota set for the Seventh 5-Year Plan is 137,000 ha, with more than three-fourths accruing to the reclamation of meadow and pasture lands. Of the total need for ameliorization liming of 1,128,000 ha, 584,000 ha will be limed. A considerable expansion of operations is envisioned also in the area of reclamation of sandy and heavy soils (70,000 ha) and in protection against erosion (64,000 ha). The total acreage on which noninvestment-type projects will be implemented will reach in the Seventh 5-Year Plan almost 900,000 ha and will be at approximately the same level as it was in the Sixth 5-Year Plan.

The implementation of all reclamation projects should systematically comply with the principle of preserving harmony between the shaping and protecting of the landscape environment and the demands of the remaining sectors of the national economy and of our entire socialist society.

NEW LAW, IMPLEMENTING DECREE ENACTED ON ATOMIC ENERGY

Atomic Energy Protection Law

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German
Part I No 34, 14 Dec 83 pp 325-329

[Official text: "Law on the Use of Atomic Energy and the Protection Against its Dangers--Atomic Energy Law--of 8 December 1983," effective 1 February 1984]

[Text] The atomic energy the GDR uses serves peaceful purposes exclusively. It must be justified socially and has to contribute to the further shaping of the developed socialist society and to the performance improvement and higher efficiency of the economy. Atomic energy may only be used if all necessary measures were taken to ensure the safety and protection of the life and health of people and environmental protection. Constantly observing the protective and safety regulations is the supreme principle in the use of atomic energy.

For the use of atomic energy and the protection against its dangers, the GDR People's Chamber enacts the following law:

Article 1 -- Range of Application

- (1) This law regulates the use of atomic energy and the protection against its dangers.
- (2) This law applies to
--official organs,
--combines, economic management organs, enterprises, cooperatives, institutions, social organizations (henceforth referred to as enterprises), and
--citizens.
- (3) The use of atomic energy embraces the operating of nuclear and ray radiating installations, the transport of nuclear material and other radioactive materials including the disposition of radioactive waste and R&D projects relating to it.
- (4) Protection against the dangers arising from the use of atomic energy includes radiation protection and measures to ensure nuclear safety and prevent the misuse of atomic energy.
- (5) The concepts defined in the Appendix apply to this law.

Article 2 -- Principles

- (1) The GDR uses atomic energy for peaceful purposes only. The use of atomic energy as well as the trade and cooperation with other states must not contribute to a proliferation of nuclear weapons.
- (2) Atomic energy is to be used for the benefit and welfare of socialist society and is to be encouraged accordingly.
- (3) The protection of the people's life and health and environmental protection from the dangers in the use of atomic energy must be ensured and has priority over economic and other advantages resulting from the use of atomic energy.
- (4) Radioactive waste is to be kept in such a way that the protection of the people's life and health and environmental protection are ensured at all times.
- (5) The use of atomic energy is subject to official controls through licensing and supervision.
- (6) The trade with nuclear and ray radiation installations and radioactive substances is a state monopoly. Nuclear plants and nuclear materials are public property. Inventories of radioactive substances have to be accounted for.
- (7) In peacefully using atomic energy and protecting against its dangers, the GDR works closely together with the USSR and the other states in the socialist community united under CEMA. It encourages equal and mutual advantageous cooperation with other states in the peaceful use of atomic energy and takes an active part in pertinent international organizations, especially in the international atomic energy organization.

Article 3 --Responsibility

- (1) The Council of Ministers ensures the central management and planning of all measures for the use of atomic energy and the protection against its dangers and decides on the basic issues.
- (2) Central official organs ensure and control in their areas of responsibility the use of atomic energy and the protection against its dangers. They carry out the tasks in the use of atomic energy with which they have been charged in state plans. They encourage the introduction of effective procedures and methods for using atomic energy and have to assign relevant tasks to the enterprises. Use is to be made of the advantages of socialist economic integration.
- (3) Within the scope of the tasks imposed upon them, the central state organs, the Academy of Sciences of the GDR and scientific institutions and educational institutions ensure the implementation of R&D projects and the measures for training and continuing training in support of the enterprises in their use of atomic energy and their protecting against its dangers.

(4) The local people's representations and their organs, within the scope of their responsibility, ensure the use of atomic energy and the protection against its dangers within their territories.

(5) The managers of enterprises where nuclear plants or ray radiating facilities are used or radioactive substances are transported, have to ensure and supervise the abiding by legal regulations and enterprise rules. They bear the responsibility for the use of atomic energy and the protection against its dangers, including the requisite R&D projects.

(6) The managers of enterprises where working tools, procedures and sites for the use of atomic energy are planned, designed, established or produced, must make sure that these working tools, procedures and sites ensure the necessary protection against the dangers in the use of atomic energy.

Article 4 -- Protection of the Life and Health of People and of the Environment

(1) The protection of the life and health of people and environmental protection against the dangers in the use of atomic energy must take place on the basis of the latest scientific-technical data and the respect of the GDR for obligations under international law and with regard to recommendations from competent international organizations.

(2) Working people engaged in the use of atomic energy including the disposing of radioactive waste must have the appropriate qualifications, be suited to exercise that activity and prove they have enough knowledge about the measures for the protection against the dangers in the use of atomic energy. The enterprises have to enforce the necessary measures in training the working people, ensuring radiation protection, nuclear security and accident protection.

(3) Working people, relative to the radiation stress to be expected from their activity, have to be placed under medical and dosimetric controls.

Article 5 -- Protection against the Misuse of Atomic Energy

The protection against the misuse of atomic energy, particularly nuclear material controls and the physical protection against nuclear materials and nuclear plants, is placed under law regulations. It has to be ensured by target-directed measures.

Article 6 -- The Control Organ

(1) The State Office for Atomic Safety and Radiation Protection is the organ of the Council of Ministers for controls in the field of protection against the dangers in the use of atomic energy.

(2) The controls by the State Office for Atomic Safety and Radiation Protection extend to radiation protection for the working people and all other citizens during operations in nuclear plants and radiation facilities and in transporting radioactive substances, environmental protection against radioactive pollution, the nuclear safety of the nuclear plants, and the measures to prevent misuse of atomic energy.

(3) Controls by the State Office for Atomic Safety and Radiation Protection do not curtail the responsibility of the competent state organs and enterprises for the controls set down in law regulations.

Article 7 -- Permission

(1) The State Office for Atomic Safety and Radiation Protection issues the permission to use atomic energy.

(2) Such a permission presupposes that

1. the responsible party in using it documents the conformity between the intended use of atomic energy and the provisions in this law,
2. the personnel requirements and the working tools, procedures and sites for a proper use of atomic energy and the protection of the working people, all other citizens and the environment are properly in place,
3. radioactive substances can be secured from unauthorized access, and
4. radioactive waste can be removed without risks and safely.

(3) The procedures on issuing the permission to use atomic energy depend on how it is to be used. The permission sets down conditions for the use. The permission may come with quotas and may be limited in time. It may be withdrawn, modified or limited if

1. the prerequisites that led to the permission no longer exist or
2. the conditions set down were not met or the quotas were not fulfilled.

Article 8 -- Licensing

(1) To ensure radiation protection and nuclear safety, the production and import of radiation facilities, enclosed radiation sources, and radioactive medicines and pharmaceuticals serving the radiation protection and nuclear safety need to be licensed. Such a license is issued by the State Office for Atomic Safety and Radiation Protection.

(2) The State Office for Atomic Safety and Radiation Protection may release products from the licensing obligation as to Paragraph 1 if no dangers can arise for the working people, all other citizens and the environment.

Article 9 -- Protective Regions

(1) For necessary protection measures in operating nuclear plants, protective regions may be established. Protective regions may be subdivided into protective zones.

(2) Protective regions are established by announcement. Such a protective region announcement is issued by the president of the State Office for Atomic Safety and Radiation Protection upon concurrence from the chief of the competent central state organ and the bezirk council in charge of the territory concerned. A bezirk council concurrence is subject to resolution.

(3) A protective region announcement has to define the requisite terms and limitations for the use in the protective region.

(4) Pursuant to the terms and restrictions for using it, the granting of a temporary or permanent right to a shared use, a transfer of property rights or a change in entitlement for real estate, structures or installations can be demanded by the funding or legal agency. A shared use, transfer of property rights or a change in entitlement have to be contractually agreed on, and in connection with monetary compensations, with the owner or legal agency of real estate, structures or installations, unless law regulations make different provisions.

(5) If a contract cannot be negotiated on the shared use, transfer of property rights or the change in entitlement, the shared use or changed entitlement can be ordered or property rights can be withdrawn in connection with monetary compensations upon request from the funding or legal agency of the nuclear installation. The compensation is computed in terms of the compensation law and the equalization for economic inequities.

(6) The kreis council rules, by resolution, on shared use, change in entitlement and withdrawal of property rights.

(7) With the official ruling as to Paragraph 6, as to the time set down for the withdrawal of property rights,

1. the real estate, structures or installations become state property,
2. third party rights attached to real estate, structures or installations and entitlement agreements on their use expire, and
3. the owner has a claim to monetary compensation. Those entitled to use and the owners of attached rights have a claim for the fulfilment of their demands out of the monetary compensation.

(8) The status of state ownership of real estate, structures or installations as newly assigned goes into effect at the time of the transfer of entitlement through the official ruling as of Paragraph 6. Other duties by the entitled agencies involved are governed by the relevant law regulations.

Article 10 -- Liability for Damages

(1) Liability for damage from the use of atomic energy is governed by the provisions of the Civil Code on extended damage liability.

(2) For damage through ionized radiation, any exemption from damage compensation obligation is precluded. Damage claims are not subject to the statute of limitations.

(3) If damage through ionized radiation on the sovereign territory of the GDR comes from an agency of liability that cannot be ascertained or can for other reasons not be resorted to, the State Office for Atomic Safety and Radiation Protection takes over.

(4) Liability for damage in operating X-ray facilities or for damage to patients due to medical measures with ionized radiation is governed by law regulations providing for it.

(5) If working people working for the agency making up damage or on its orders are hurt, the Labor Code provisions on job accidents and job-incurred illness apply. In case of the effect of ionized radiation, the provision of Paragraph 2 applies accordingly.

Fines and Penalties

Article 11

(1) He who purposely

1. without the requisite permission as of Article 2 Paragraphs 5 and 7, or in violation of the terms set down in that permission, or by not adhering to the quotas assigned with that permission

(a) develops, produces, constructs, operates, repairs, modifies or shuts down nuclear installations or radiation facilities, or

(b) procures for himself or others, receives, owns, uses, modifies, transports, hands on, spreads, stores, eliminates nuclear material or other radioactive substances or disposes of such materials or handles them in some other way,

2. in violation of the provisions of Article 2 Paragraph 6 trades with nuclear installations, radiation facilities or radioactive substances,

3. violates legal or professional duties about the control of nuclear materials or the physical protection against nuclear materials and nuclear installations, or obstructs or interferes with their fulfilment

and thereby negligently causes a common danger, incurs a monetary fine or a prison sentence, with probation, up to 2 years.

(2) He who purposely causes a common danger, as to Paragraph 1, incurs a prison sentence up to 5 years.

(3) He who through acts as to Paragraph 1 negligently causes serious health damage or the death of a person, incurs a prison sentence up to 8 years.

(4) Preparation and attempt, with respect to Paragraph 2, are criminal offenses.

Article 12

(1) He who negligently commits any of the acts referred to under Article 11 Paragraph 1 and thereby negligently causes a common danger, incurs a monetary fine or a prison sentence up to 1 year, with probation.

(2) He who negligently commits any of the acts referred to under Article 11 Paragraph 1 and thereby negligently causes serious health damage, incurs a monetary fine or a prison sentence up to 2 years, with probation. If the death of a person was negligently caused, a prison sentence up to 2 years or a probationary sentence are called for.

(3) A serious case is one where

1. several persons were killed or

2. the act is due to a flagrant violation of the provisions in this law.

In serious cases the offender gets a prison sentence from 1 to 5 years. If the prerequisites of Figures 1 and 2 apply simultaneously, the prison sentence may be raised to 8 years.

Article 13

(1) A deliberate or negligent act as to Article 11 Paragraph 1 or Article 12 Paragraph 1 may, if the effects the act has on the rights and interests of the citizens or society and the offender's fault was insignificant so that no crime was committed, be adjudicated by a reprimand or disciplinary fine between M 10 and M 500.

(2) Called to account can also be someone who purposely or negligently

1. employs working people without adequate qualifications or without a proven adequate knowledge about measures for the protection against the dangers from the use of atomic energy or without their proven suitability for exercising such an activity as to Article 4 Paragraph 2,
2. withholds, cancels or eliminates the prerequisites for the granting of permission as to Article 7 Paragraph 2,
3. produces or imports products under license obligation as to Article 8 without license, and
4. disobeys, violates, obstructs or interferes with legally ordered measures in connection with the marking off of protective regions as to Article 9 Paragraph 3.

(3) Disciplinary fines up to M 1,000 may be levied if in a deliberate irregularity as to Paragraphs 1 and 2

1. the damage caused could have been larger,
2. social interests were flagrantly disregarded,
3. official or public order and safety were seriously impinged, or
4. the act was repetitive within 2 years and received a disciplinary fine before.

(4) Objects relating to the irregularity may be confiscated either together with or without disciplinary measures.

(5) The adjudication of the disciplinary penalty proceedings is the responsibility of the president of the State Office for Atomic Safety and Radiation Protection and, in violations of the measures in connection with marking off protective regions, of the competent deputy chairmen of the kreis councils.

(6) The implementation of the disciplinary proceedings and the pronouncing of disciplinary measures are governed by the 12 January 1968 law on fighting against irregularities--OWG-- (GBL Part I No 3 p 101).

Concluding Provisions

Article 14

The Council of Ministers and the president of the State Office for Atomic Safety and Radiation Protection issue the legal regulations needed for the enforcement of this law.

Article 15

(1) This law goes into effect on 1 February 1984.

(2) Rescinded at the same time are:

- the 28 March 1962 law on the use of atomic energy in the GDR -- atomic energy law -- (GBL Part I No 3 p 47),
- the 23 January 1964 amendment law on the 28 March 1962 law on the use of atomic energy in the GDR -- atomic energy law --(GBL Part I No 1 p 1),
- the 1 September 1966 amendment law on the use of atomic energy in the GDR -- atomic energy law -- (GBL Part I No 9 p 75),
- figure 41 in the appendix to the 11 June 1968 law on correlating penal and disciplinary measures -- correlation law -- (GBL Part I No 11 p 242),
- the 28 March 1962 atomic energy decree -- setting up protective regions-- (GBL Part II No 18 p 151),
- the 28 March 1962 atomic energy decree -- liability for radiation damage-- (GBL Part II No 18 p 152),
- figure 57 in the appendix to the 13 June 1968 decree on correlating penal and disciplinary measures and admonitions against crimes -- correlation decree -- (GBL Part II No 62 p 363), and
- article 9 paragraph 3 and figures 4, 7 and 8 of the appendix to the 26 November 1969 decree on the protection against damaging effects from ionized radiation --radiation protection decree-- (GBL Part II No 99 p 627).

Appendix to above law

Definitions:

1. Nuclear installations:

- a) Nuclear power plants, nuclear heating plants,
- b) Research reactors and other Nuclear Reactor Installations,
- c) Subcritical Arrangements,
- d) Nuclear Material Production, Treatment, Processing and Storage Installations,
- e) Recycling Plants for Radiated Nuclear Material, and
- f) Installations for the central final storage of radioactive waste.

2. Use of Nuclear Installations:

The use of nuclear installations includes:

- a) what suits the intended purpose of the installation,
- b) the activities needed in setting up such operations, such as site selection, project planning, design, construction, production, operations, repair and reconstruction, and
- c) shutting down the installations.

3. Radiation Facilities:

- a) Facilities containing enclosed radiation sources (e.g. teletherapy facilities, gamma defectoscopy facilities, band diameter measuring facilities, radiation barriers, thickness and moisture measuring facilities, ionization detectors and so forth),
- b) Facilities in which charged particles are accelerated (X-ray facilities and particle accelerators), and
- c) Facilities in which ionized radiation occurs as a side-effect.

4. Use of Radiation Installations:

The use of radiation installations comprises:

- a) what suits the purpose of the appropriate operation in the installations,
- b) the activities needed in setting up such operations, such as site selection, project planning, design, construction, production, operations, and maintenance, and
- c) shutting down the installations.

5. Radioactive Substances:

Radioactive substances are substances containing radionuclei with upper volumes and/or concentrations to be determined.

6. Enclosed Radiation Sources:

A radioactive substance permanently enclosed in a throughout impervious, solid, inactive cover that prevents its leakage under ordinary operational demands.

7. Nuclear Material:

Nuclear material are radioactive substances

- in which through the proper arrangement a nuclear fission chain reaction can be produced (nuclear fuels) and
 - from which through physical or chemical procedures nuclear fuels can be made,
- insofar as minimum volumes and/or concentrations to be determined are exceeded.

8. Dealing with Radioactive Materials:

Acquisition, possession, disposition, import and export, passing on and any other distribution and transport on public traffic routes; handling (exploration, extracting, purifying, producing, treatment and processing, using, storing, intraplant transportation, elimination and any other use or modification); and other activities during which radioactive substances are present.

9. Radiation Protection:

The sum total of the demands, measures, means and methods serving the protection of men and their environment against the harmful effect of ionized radiation.

10. Atomic Safety:

Atomic safety entails nuclear safety and measures preventing the misuse of atomic energy.

11. Nuclear Security:

Condition and status of a nuclear installation characterized by that

- at purposeful functional operations deviations from normal operations are reliably prevented that would lead to unauthorized exposure to radiation by the operational personnel or other persons in the environment, and
- in case of breakdown, the operational personnel or other persons in the environment are not unduly exposed to radiation.

12. Misuse of Atomic Energy:

The misuse of atomic energy entails the use of nuclear installations and radiation facilities or the handling of nuclear material or other radioactive substances without permission or for purposes other than specified in the permission. This also includes attacks upon or unauthorized effects on nuclear material and nuclear installations.

13. Nuclear Material Control:

Sum total of the demands, measures, means and methods to account for and supervise nuclear material.

14 Physical Protection:

Sum total of the demands, measures, means and methods effectively to prevent criminal actions against and unauthorized effects on nuclear material and nuclear installations, spot them in good time and keep them from happening, and recover lost nuclear material.

Implementing Decree

East Berlin GESETZBLATT DER DEUTSCHEN DEMOKRATISCHEN REPUBLIK in German
Part I No 34, 14 Dec 83 pp 330-331

[Official text: "Implementing Decree on the Atomic Energy Law--Establishment of Protected Areas for Nuclear Power Plants--of 8 December 1983," effective 1 February 1984]

[Text] Pursuant to Article 14 of the 8 December 1983 atomic energy law (GBL Part I No 34 p 325), the following is decreed

On Article 9 Paragraphs 2 and 3 of the law:

Article 1

(1) The State Office for Atomic Safety and Radiation Protection, within the scope of the radiation protection authorization procedure for a nuclear power plant, while the site for it is being authorized,* has to decide whether a protected area is needed for the power plant and which preparatory measures have to be introduced for declaring the protective area. The funding or legal agency of the power plant, while applying for site confirmation, or if no site confirmation is required while applying for site authorization,** has to present the notification on the preparation of the protected area declaration.

(2) In preparation for the protected area declaration, the funding or legal agency of the power plant, within the scope of the radiation protection procedure for a nuclear power plant, while the site is being authorized,* has to present the documents needed according to the Appendix to the State Office for Atomic Safety and Radiation Protection.

*In effect at present is the 21 June 1979 nuclear plant authorization order (GBL Part I No 21 p 198).

**In effect at present is the 30 August 1972 decree on the site distribution of investments (GBL Part II No 52 p 573) in the version of the second decree on it, of 1 February 1979 (GBL Part I No 6 p 57).

(3) The funding or legal agency of the nuclear power plant has the right to demand from state organs, combines, economic management organs, enterprises, cooperatives, institutions and social organizations data for the preparation of documents as to the Appendix. Such data have to be submitted to the funding or legal agency of the nuclear power plant within a time frame of 8 weeks.

Article 2

(1) A protected area declaration has to contain at least the following data:

- a) The name of the area,
- b) location, subdivisions and size of the area including pertinent maps,
- c) terms and restrictions of use,
- d) rules on granting permissions,
- e) the arrangement of supervisory measures, and
- f) the point in time when the protected area declaration takes effect.

(2) The protected area declaration has to be forwarded without delay to the funding or legal agency of the nuclear power plant and the bezirk and kreis council chairmen in the territories of which the protected area is located.

(3) The protected area declaration is to be made public in a suitable form by the chairman of the kreis council in the territory of which the protected area is located.

(4) The kreis council in the territory of which the protected area is located may assign terms for enforcing the conditions and constraints on use.

(5) None of this infringes on the provisions for the protection of agricultural and forestry acreage and on safeguarding the use of socialist soil.

(6) The State Office for Atomic Safety and Radiation Protection is under the obligation to test the need for maintaining a protected area at least every 5 years. The stipulations in a protected area declaration must be changed or lifted if preconditions have changed or no longer exist.

Article 3

(1) The president of the State Office for Atomic Safety and Radiation Protection in concurrence with the chairman of the bezirk council in the territory of which the nuclear power plant is located must set up a protected area commission. It is made up of representatives of

- a) the State Office for Atomic Safety and Radiation Protection (the head of the commission),
- b) the bezirk councils,
- c) the kreis councils, and
- d) the funding or legal agency of the nuclear power plant.

If need be, representatives of other state organs, combines, economic management organs, enterprises, cooperatives, institutions and social organizations may be appointed members of the protected area commission or asked to attend its conferences.

(2) The protected area commission must, in particular, advise the chiefs of the competent state organs in enforcing the terms and restrictions of use, inform them on the adherence to the measures set down in the protected area declaration, and make recommendations with respect to applications for use permission in the protected area.

On Article 9 Paragraphs 5 and 6 of the law:

Article 4

If through ordering a shared use, the contractually agreed-upon use of real estate, structures or installations is canceled or significantly confined, the tenants' or users' request for changing the contractual terms have to be honored.

Article 5

(1) Economic disadvantages resulting from withdrawing ground, structures or installations from agricultural use or from the shared use or confining of agricultural use fall under the law regulations on soil utilization.

(2) Procedures for arranging for shared use or withdrawing property rights and compensating for economic disadvantages, except for those referred to in Paragraph 1, fall under the mining law regulations.**

Article 6 -- Taking Effect

This implementing decree takes effect on 1 February 1984.

*In effect at this time is the 26 February 1981 decree on soil utilization (GBL Part I No 10 p 105) and the first implementing regulation of 28 May 1968 on the soil utilization decree--economic hardship compensation-- (GBL Part II No 116 p 918).

** In effect at this time are the first implementing decree, of 12 May 1969, on the mining law of the GDR (GBL Part II No 40 p 257) and the second implementing decree, of 18 December 1969, on the mining law of the GDR --compensation for economic disadvantages -- (GBL Part II 1970 No 13 p 65).

Appendix to above implementing decree

For preparing a protected area declaration, the following documents are needed:

1. General building plan for the nuclear power plant at the site,
2. Data on existing industrial, agricultural, forestry and mining installations, traffic and settlement conditions, recreational uses and the like and planned use modifications over the long run,
3. Data on the use of natural resources like drinking water and other use of water and the agricultural, horticultural, forestry and fishing uses,
4. Property and user's rights to real estate, structures and installations,
5. Estimates of substance and scope of compensatory liabilities,
6. Topographic map 1:25,000.

Other documents may be asked for, on separate submission schedules, by the State Office for Atomic Safety and Radiation Protection.

COMMENTARIES ON WORK DISCIPLINE, SYSTEM OF REWARDS

Socialist Solutions for Infractions

Leipzig LEIPZIGER VOLKSZEITUNG in German 6 Jan 84 p 7

[Article by Wolfgang Tiedke]

[Text] "Nuts is he who knows about work and doesn't shirk!"--this saying was to be found under the heading "work" in various collections of quotations dating back to the turn of the century. While the modern dictionary of quotations no longer cites this old-Berlin rhyming joke, it is almost impossible not to notice that some of our contemporaries are still very much guided by its spirit.

Of course in the history of mankind work has never been merely a duty, a burden man was compelled to carry. It was never merely a material necessity. In fact it also --at least to some extent--responded to a human need. In all ages we observe examples of farmers, craftsmen, workers and engineers who took pride in their work, their achievements and abilities.

Are People Inherently Lazy?

Man, therefore, is not by nature stupid, lazy and gluttonous, though bourgeois sociologists and ideologists want to make us believe so to this day. The artificial contradiction between an innate indolence or laziness of man on the one hand and the compelling need to earn his living on the other, has never existed in just such terms. Work, and especially the need for creative labors, got a bad name due to the various types of exploitation that ruled labor in the course of history and continue to do so even now in large regions of the world. In capitalism, working class attitudes to work are adversely affected mainly by the fact that production, working conditions and the opportunities for the development of the working people's creative abilities and interests are solely decided by profit considerations, never by the interests and needs of the working people.

Only after the abolition of capitalist production conditions by the creation of socialist production conditions do work and the worker obtain their due respect from society.

The results of investigations carried out by the Academy for Social Sciences at the SED CC therefore clearly prove that the overwhelming majority of GDR working people conscientiously meet the growing challenges to the quality and efficiency of labor.

This is clearly the decisive trend in the development of socialist work discipline. At the same time we must not disregard the fact that contrary trends also arise. The nonobservance and insufficient utilization of working hours are currently the main disciplinary infractions. Some people have by now developed a habit of starting work late, leaving the enterprise before the appointed time and overstaying breaks. Some responsible managers and work collectives have resigned themselves to these infractions of discipline by their fellows, tolerate them tacitly and do not oppose them resolutely. According to the investigations, there has also been a rise in the incidence of people leaving their jobs during working hours so as to settle personal business, go shopping or call on services. In more and more instances the working hours lost thereby are not made up. I am sure that everybody can cite similar examples.

Of course it is not enough just to state these facts. We need a concrete analysis of the causes of such phenomena to enable us to resolutely do something about them. Quite often discussions yield the hypothesis that the sheer comprehensiveness of social security in the socialist society is responsible for these undesirable effects also. In the debate about poor work discipline and negligence, impolite sales clerks, unfriendly personnel in restaurants and other service enterprises, it is occasionally asserted that we could deal with all this much more easily and quickly if everybody had to fear for his job each day.

People who use this argument, generally point out that the fear of dismissal and unemployment is in fact a first-rate method for employers to maintain discipline in the capitalist countries. When unemployment grew, labor intensity over there improved significantly. The incidence of absenteeism and even of absence due to sickness dropped radically. Fearing dismissal, workers in the FRG even fail to report accidents at work, give up the idea of going for spa treatment or even for taking a vacation.

Solving Problems of Socialism by Socialist Methods

Can we, though, solve the problems of our socialist society by methods typical for anachronistic social organizations? For more than 100 years the working class sacrificed and fought the capitalist system to get rid of such conditions. The greatest possible social security, including full employment, is therefore one of the greatest achievements of the socialist society. Incidentally, these achievements are by no means gifts from the party and the government--the working people earned them by hard work; they are the result of diligent and creative labor, not a prepayment for performances still to be accomplished. Consequently the striving to safeguard and expand the standard of living achieved represents a strong motive for greater performances, not the limitation or even depression of this standard.

Admittedly such a statement does not explain--let alone resolve--the problem how to motivate those workers to conscientious and disciplined work, who are not yet complying with it but enjoy the sociopolitical measures as much as any other GDR citizen.

Though infractions of work discipline do exist in socialism, they are not inherent in it. This also means that they can and must be dealt with by socialist methods.

As we all know this cannot be done by decree alone (incidentally there is such a decree--the labor code). Socialist methods must be used consciously and resolutely by the work collectives and, in particular, their managers. This is necessary because--at a time when work is not yet a primary need--not every worker is already able to appreciate that satisfactory and socially useful work is the only approach possible to the permanent and increasingly greater satisfaction of personal interests.

The Methods to Be Consciously Applied

In our situation the decisive method is the performance principle or, in Marx's words, the principle: 'From each according to his ability, to each according to his performance.' In practical terms this means that nobody may take more from the socialist society--after deductions--than he contributes. We are all aware how hard it is to enforce this principle, but we all know, too, that some collectives tacitly tolerate infractions of it.

Much also depends on the smooth operation of the production process. Disruptions tend to favor passivity and infractions of work discipline.

Moreover, a socialist attitude to work is largely decided by ideological factors. This is not to be interpreted only as the need for good propaganda work but as an opportunity for the working people to apply their daily experiences to help discuss, decide and even change enterprise concerns.

Lastly there are, of course, a lot of administrative measures for enforcing a strict and efficient labor organization. Often these opportunities fail to be fully utilized by state managers and thus remain dead letters.

It surely remains true to say with respect to socialist work discipline also: There will be only as much of it as we all take care to enforce.

Only Outstanding Performance Rewarded

Leipzig LEIPZIGER VOLKSZEITUNG in German 6 Jan 84 p 2

[Article by Stefan Poppitz]

[Text] A fact was recently made public at Leipzig Technical College and not greeted with much pleasure at that educational institution. While 72 percent of the scientific personnel enjoyed a performance premium in 1982, only 52 percent did so in 1983 though the premium fund was unchanged. This provoked many scholars to ask: Is my good work--based on willingness to perform--worth less today than yesterday?

At no time did the state and labor union management at the college impugn our tried and tested sociopolitical principle, according to which good work is to be worth while for the individual. However, they maintain the view (with some justification) that good work ensures a good salary to the scientist in the college system, and that it need by no means automatically involve a performance premium payment.

This is an obvious rebuke to the past and frequent practice of simply distributing the moneys of the premium fund without first exactly examining the actual benefits to society of the various scientific performances--how good they really were. The criteria were established by the scholars at the college themselves, in the course of party and labor union elections. We need more outstanding achievements in teaching and research, they said. We want to aim for top performances that help permanently to speed up scientific-technological advances and, with economic efficiency, contribute to the quick accomplishment of decisive economic tasks.

Consistently applied, this is bound to mean that premiums are to be paid first and foremost to those whose work is well above the average. This also includes those scientists whose courage to take healthy risks and explore scientific virgin territory does not, first off, yield the hoped-for success.

In other words, good work must now be measured by a different yardstick from that employed in the past, because we are confronted with greater challenges. Ruthlessly to measure ourselves against it (and, when it comes down to brass tacks that is by no means easy) presumes a good ideological atmosphere. Yet only performances growing on such soil will provide the necessary social yield and, to the individual, the social distinction due him--in the form of premiums also.

11698

CSO: 2300/290

PRIVATE AGRICULTURAL PRODUCERS MAKE VALUABLE CONTRIBUTION

Schwerin SCHWERINER VOLKSZEITUNG in German 7/8 Jan 84 p 3

[Article by H. van Reimersdahl: "The Karmauss Family from Dadow as an Example; Individual Production in the Country and Its Benefit to Society"]

[Text] Last year some 118,000 pigs and 11,100 heads of beef cattle were produced by the individual home economies of the cooperative farmers and workers in the district of Schwerin as food supplies for the general population. Furthermore, 12,000 pigs and head of cattle, respectively, were slaughtered in the village. In the Republic individual production accounted for some 17 percent of the overall production of meat stock, 48.3 percent of the eggs, 30.3 percent of the sheep's wool, 97.3 percent of the bee honey, 27.5 percent of the vegetables, and almost half of the fruit production.

Our party has been paying great attention to the individual production of produce and animal products. At the 7th meeting of the SED Central Committee it was emphasized once more that it is a valuable, economically effective supplement to the society's agricultural production and is of great importance for the efficient utilization of every square yard of soil, the development of reserves in the society's work potential, feed and barn capacities. In 1982, 66 percent of the GDR households of agricultural producer cooperative members had individual home economies, i.e., ten percent more than five years ago. The motivation is manifold. Some thus cultivate the tradition of rural living, and for others this nature-oriented, productive leisure time activity has become a need, and all of them see it, last but not least, as an opportunity to increase their family budgets.

In the cooperative of Gorlosen, kreis Ludwigslust, for instance, about 90 percent of all farmers raise stock individually and provide their families and others in the village with produce from the family gardens.

Gerda and Reinhold Karmauss from Dadow, a village of this cooperative, are presently raising five pigs in their barn behind the house; every year a large number of cackling poultry runs around in the yard. Approximately 200 meters from the house, the two cooperative farmers are fattening 400 pigs owned by their Gorlosen (T) cooperative. The cooperative has certified that the couple has performed well and industriously in raising the stock entrusted to them. Last year, 580 quintals of pork were to be generated from their two pigstalls.

In reality, 600 quintals were provided. This year their very personal goal is to provide 100 quintals more than planned.

"The cooperative definitely has priority and is quite demanding on me, but we would not want to be without the animal stock, either. It has a traditional place on our farm," says the wife of the farmer, who also functions as the mayor's substitute in this small village of Dadow, population 200, and was just recently delegated as a member of the Gorlosen cooperative council.

"The feed comes from our own garden where we also grow vegetables, beets and corn, as well as from the cooperative which comprises one-fourth of a hectare accounting for up to five quintals, depending on the work input. Kitchen scraps are utilized, also. We buy the young stock from the cooperative, which also takes care of the transportation of the fattened stock to the slaughterhouse." Looking into the cozily furnished living room, the farmer's wife, 50 years of age and the mother of six children, adds, "You can certainly tell that it is worth it for a family. Our wall cabinet, for instance, the new windows, the weddings of five children--the proceeds from the individual economy have certainly helped to pay for it all. And when the children come home with our eight grandchildren, you also want to give them a few fresh farm eggs or something that we butchered ourselves."

9544

CSO: 2300/264

GERMAN DEMOCRATIC REPUBLIC

TRANSPORTATION SYSTEM GOALS FOR 1984 OUTLINED

East Berlin DDR-VERKEHR in German Vol 17 No 1, Jan 84 pp 2-4

[Interview with Otto Arndt, Minister for Transportation of the GDR (date and place of interview not provided): "The GDR's Transportation System in the 1984 Plan Year"]

[Text] [Question] Comrade Minister, the further scheduled bringing down of freight transport costs and the reduction and/or elimination of irrational transport were primary directives for 1983. Were they achieved successfully?

[Answer] In the Karl-Marx year 1983, the 500,000 workers of the socialist transportation system based their actions on the binding order of the 10th SED Party Congress to transport less, over shorter distances and more energy-efficiently. The results achieved in the years from 1981 to 1983 confirm that we have made good progress in fulfilling the decrees of the 10th SED Party Congress as a result of the successful work of the employees in the transportation system and from all sectors of the economy. We have been able to reduce transport performance in particular by optimizing the ties between transport and delivery by 3.7 billion ton/kilometers, that is an absolute rate of 6 percent.

In 1983 we were able to bring down specific transport costs by 4 to 5 percent, while maintaining about the same performance in inland freight transport.

If the years 1983 and 1980 are compared, transport performance today in the public transportation systems is being achieved with 16 percent less diesel fuel, 42 percent less gasoline and 36 percent less heating oil. The transportation system has contributed to an increase in production and national income in the entire economy in 1982 and 1983 and to an absolute reduction in the consumption of energy, raw materials and other materials.

The objective of the economic plan for 1984 is to reduce the specific cost of transport in inland freight by 3.5 percent by optimizing transport in the branches and areas.

The problem lies now in implementing this high-minded objective by improving the effectiveness of science and technology, by exhausting all technological reserves, by consistently putting into effect the regulations that exist to

reduce transport costs and by mobilizing our workers and collectives in socialist competition in their daily work.

[Question] These objectives, comrade Minister, are of a substantial order of magnitude for the economy. How are these ambitious tasks to be accomplished?

[Answer] It is well known that the GDR's transportation system occupies a significant place in ensuring the stable and dynamic development of the economy.

It has to guarantee that all areas of society develop according to plan and in proportion through its performance, the efficient carrying out of all socially necessary form of transport and haulage with the maximum accuracy, quality and safety.

The contribution of the transportation system to ensuring the economy's sharp increase in output consists, therefore, of guaranteeing at all times trouble-free passenger and freight traffic, while drastically reducing overall costs and bringing down transport costs, significantly speeding up scientific-technical progress at the same time.

It will be all the more difficult to solve these tasks, since the reserves and possibilities of the first onset have been skimmed off already with the substantial steps in rationalization taken in past years and this year.

Consequently, greater efforts, which extend beyond the transportation system, are all the more necessary, as are new ways and solutions for the general reduction of transport requirements and for the optimization of the ties between transport and delivery in the overall framework of the economy. The following directions must be pursued as a foundation in order to realize these objectives:

First, the economy's transport requirements must be further generally reduced.

In this regard, avoiding all irrational transport is in first place. In particular, a savings of another 2 billion ton/kilometers must be achieved primarily by means of optimizing production transport. The rationalization of transport in the machine tool combine "7 October" in our capital demonstrates what reserves can still be summoned up. In this Berlin combine, all the link between delivery and marketing, the stages of cooperation in production and warehousing as well were studied through process analyses with respect to transport requirements and expenditures, and a possible 35-percent specific reduction in transport costs by 1985 was ascertained in the results.

To do this, it was necessary to reverse completely the previous tendency of more rapid growth in transport compared with industrial production of goods.

The results that are now available confirm this: it is possible to achieve this goal by 1985, in annual steps, with a 10- to 12-percent savings in transport performance in spite of rising production of goods. The results also confirm that a savings of 12 to 15 percent in road transport performance can be realized over the short term without investment.

I consider this approach to be right in principle and to be the exemplary way of reaching a further reduction in transport requirements. This exemplar must be evaluated quickly in all areas and assessments must be made for a broad application in 1984 under the responsibility of the ministers, the director generals of the combines and the chairmen of the local organs.

Secondly, the additional extension of energy-economical division of labor in inland freight transport between the transport agencies will be continued consistently in 1980.

The transport performance of the railroad and inland shipping together will increase by 1.5 percent compared to 1983; this will bring their share of inland transport performance up to about 81 percent.

In inland traffic, additional transport on the order of at least 6 million tons must be shifted to the railroad and/or waterways. Here too, additional reserves must be uncovered which will allow us to offer the economy a higher volume of performance without higher appropriation of capital.

Thirdly, it will be necessary to come to an energy- and cost-efficient division of labor as soon as possible between motorized public traffic and plant traffic that uses vehicles. The need to transfer these transport functions to public vehicular transport comes from the fact that it manages the delivery and supply transport assignments of works traffic over the road more efficiently.

It is our goal to transfer a large part of these transport assignments in 1984, in order to contribute to the further increase in the efficiency of road freight transport.

This unusually important and efficiency-promoting measure can only be carried out in close joint efforts with the regional councils, the traffic combines and the combines and plants in the economy by showing a high degree of political responsibility and consistency.

[Question] Comrade Minister, successes in rationalization in individual areas have promoted many kinds of initiatives and thrusts. Even more possibilities must exist in the provinces to reduce transport expenditure and to use transport capacity more efficiently.

Where do you see the principal objectives in this area?

[Answer] Our analyses indicate that the most comprehensive rationalization of freight transport in the provinces so far has been developed in Kreis Aue.

What is new is that all factors of transport rationalization--from the optimization of transport and the efficient application of transshipping techniques to the on-schedule coordination of using the transport facilities of factories, the railroad and motorized traffic--are being in the most effective way possible.

In this way significant results were achieved in speeding up freight car circulation, in the rational design of transport following or preceding transport by rail, in the expansion of general freight and in the improved utilization of basic capital and of society's labor potential.

Our strategic objective in rationalizing transport in the provinces therefore consists of making a rapid transition from less efficient forms of coordination in the provinces, such as simple plant driving pools and loading and unloading communities, to those forms which will allow a comprehensive and complex rationalization of transport by provinces.

Based on the status attained in the rationalization of haulage and transport processes in the provinces, it will be necessary to prepare and implement the attainable higher level of efficiency in the total rationalization of transport in the provincial territories; this will be through complex generalization and general application of the experiences and advantages of individual examples.

This requires unconditional collaboration among the responsible organs of the economy, traffic and the territory and also a unified form of organizational leadership. At the same time, it requires the transition from the kreis to the district in the rationalization of transport in the territories.

Our nearest objective, which we want to achieve by the middle of this year, is a unified program in stages to bring about solutions to complexes at the district level.

The main points in the program are the division of labor from an energy-optimal point of view, the optimization of the links between delivery and transport, ensuring transport for shifting goods, the expansion of access points, the development of rational and effective handling technology and equipment, the improvement of information processing, and more.

Scientific-technical objectives have to be derived from this program and integrated into the plans for science and technology.

The rapid bringing into general use and widespread application of the experiences of those most advanced in the area of complex rationalization of transport in the territories should be supported to set standards by means of performance comparisons and exchanges of experience between kreis and district.

It is also important that the already partially existing programs for the rationalization of transport and/or the designs for transport at the district level continue to be perfected on the basis of the best experiences and in accordance with the new requirements.

[Question] The change in the division of labor between the transport agencies resulted in more assignments for the railroad. For example, in freight car loading, general cargo and container traffic, we are talking about high performance requirements with respect to the amount and value of the freight. Were these requirements met successfully in the 1983 plan year?

[Answer] Consistent implementation of our party's resolutions on the energy-efficient division of labor for the different branches of traffic led to a rise in the transport performance of the railroad and inland shipping to 105.5 percent in 1983 compared to 1980, while energy-expensive road transport performance could be reduced by 32 percent.

The share of the energy-efficient traffic branches, railroad and inland shipping, in total freight transport in inland traffic increased from about 70 percent to approximately 79 percent. In the last 3 years the railroad has created a large number of the conditions necessary for the shift of road freight transport as a result of high output, the improved use of the means of transport, pushing through technological and organizational measures and the modernization of its rolling stock and the infrastructure.

Naturally, the railroad has taken over the largest share of the transport shift. In 1981 it was 6 million tons, in 1982 9 million tons and in 1983 again about 7 million tons. The necessary process of the rational design of freight transport was influenced substantially by the additional formation of full-length transport chains for bulk goods.

The change in the division of labor in the transportation system necessarily led to a change in the performance structure and to an increase in broken transport.

For this reason the development of container transport was purposefully promoted. Compared to 1980, the amount of freight transported in containers increased by 43 percent on the railroad and by 34 percent in public motor transport.

By setting up container handling areas for the railroad in Schwedt, Zeulenroda, Waren and Annaberg-Buchholz, it was possible to expand the effective service area for this rational form of transport technology.

Transport using pallets as a basic means to rationalize further the transport, handling and warehousing processes for small-sized individual pieces of freight has been improved by the introduction of the new pallet exchange process between customers and the railroad. We still have much to do in this area.

The protection of general freight transport with proper attention to quality, particularly in the case of express freight, is of great importance for the railroad. With the gradual buildup of inland dispatch, the railroad and motor traffic have jointly ensured the transport of express freight based on established relationships.

The economy's task now consists of organizing the growing handling of freight resulting from the change in the division of labor with the least damage in transport, but at the same time without additional packing costs. In this respect, I see the reserves that must be tapped in 1984 in the increased use of flat and box pallets, rollable small containers as well as medium- and large-size containers; this will enable us to provide highly mechanized and

efficient handling of expensive individual pieces of freight at the interfaces, to prevent damage to them and at the same time to conserve valuable packing material.

[Question] Comrade Minister, the entire economy is concerned with perfecting leadership, planning and accounting. What does this mean for the departments, factories and combines in the transportation system?

[Answer] The measures that have been introduced to perfect leadership, planning and economic accounting, as is known, have as their objective improved control of all the processes of intensively expanded production in order to be able to adapt the socialist planned economy of the GDR to the external and internal conditions of the 1980's.

We have made good progress in the transportation system in transforming the decree of February 1983 into reality.

We have had particular success in qualifying leadership processes on the basis of the guidelines of the combine ordinance, in the redrafting and revision of specific regulations for planning, balancing and economic accounting, in work with transport indicators and normative stipulations, in improving cost planning and accounting and also in shaping the economic relationships between the transportation system and the GDR's foreign trade.

The progress that has been made in incorporating and achieving greater economic effectiveness for the results from science and technology is not completely satisfactory. We must intensify our efforts substantially in this area. In the total area of leadership, planning and economic accounting for 1984, there are three basic assignments for the combines, factories and departments:

First, leadership activity must be perfected in order to promote the economic processes more purposefully through scientifically based, practical decisions and their effective implementation, and to shape all of them more effectively. I am thinking primarily of the state combine Seeverkehr und Hafenwirtschaft [Marine Traffic and Port Economy], the state combine Binnenschifffahrt und Wasserstrassen [Inland Shipping and Waterways], the state combine Deutrans and Reisebuero and Mitropa as well. In these areas we must be most consistent in implementing the measures that take effect on 1 January 1984 for shaping the way the principal processes are conducted.

Secondly, in 1984 material and financial balancing must be further improved, so that the requisite responsibilities of the ministry, the combines and the factories can be derived more reliably from the requirements of the entire economy's development and can be realized more purposefully.

This affects primarily the further improvement in working with the transport indicators and the expansion of the area of application of the normative stipulations for transport, but it also affects better control of material-economic processes.

Thirdly, it is absolutely necessary to develop economic accounting further. The new regulations for planning and economic accounting in the transportation system, for example, the guideline concerning the use of major indicators for performance evaluation, must be applied strictly.

[Question] 1984 is the penultimate year of the current 5-year plan, and the question of how the program of route electrification has progressed is an urgent one.

[Answer] The drastic economic changes in setting up the energy agencies were a great challenge to science and technology as well as to all state activity and to that involved in running the economy.

At the center of our efforts to replace fluid combustibles and fuels, and this is generally known, is the further electrification of the railroad network. In the 5-year plan from 1981 to 1985, 826 kms of railroad are to be electrified with the goal of increasing the share of electric propulsion in the railroad's total haulage performance to more than 35 percent and significantly reducing the consumption of diesel fuel on the railroad. We have made substantial progress in the program of line electrification. The proportion of electric propulsion in haulage performance was increased from 19.9 percent in 1980 to 28.5 percent in 1983. This development has contributed substantially to a reduction of specific energy consumption in railroad transport totalling 18 percent. In 1984 an additional 223 kms will be electrified, so that by the end of 1984 the objective of the 5-year plan will have been completed about 73 percent, and there are positive indications that the 5-year plan will be fulfilled and, with planning, can be exceeded in this important area.

Route electrification in 1984 is based, among other things, on the goal of reducing the consumption of diesel fuel in the public transportation system by an additional 5.5 percent compared to 1983.

By the end of the 5-year plan in 1985, in conformity with the decrees of the 10th Party Congress of the SED, about 15 percent of the network route of the Deutsche Reichsbahn, about 2,130 kms, will be electrified.

This means that the most important north-south main lines from the sea port of Rostock into the southern area towards Erfurt, Karl-Marx-Stadt and as far as the border of the GDR to Bad Schandau will have electric trains running on them.

The project has an overall importance, and we must do everything necessary, starting in the first days of the new year, to meet the planned deadlines for putting them into operation absolutely, and if possible, even earlier.

This puts extraordinarily high demands on construction, but also on railroad management; an effective technology must make rational construction and punctual train operation possible. The effects on the course of operations, particularly on passenger traffic, must be kept within acceptable bounds.

[Question] Comrade Minister, microelectronics and robots are also moving into the work of the transportation system.

Which projects in this area were realized and what is on the program for 1984?

[Answer] There has been a great deal and a great variety of articles published about the role and the importance of the application of microcomputer technology and of industrial robots in the transportation system.

Beyond that I can assume that it is known that we have programs in the areas of both complexes that are due to be terminated in 1985.

As a result, work in 1983 was directed towards realizing the objectives contained in these programs on the one hand. On the other hand, there was also intensive work being carried out to keep these programs up to date, that is, to make them more accurate, based on the particular degree of completion, the state of increasing knowledge and the objectives of economic efficiency.

The results of applications of microelectronics in 1983 include:

--the production and use of about 19,000 top-speed governors for commercial trucks, with a saving of 4,100 tons of diesel fuel in 1983,

--the use of 170 additional ticket window printers and 140 automatic ticket dialogue machines, with an increase in ticket window productivity on the Deutsche Reichsbahn to 150 percent and an overall improvement in service for the customer and in working conditions for DR employees in dispatch,

--the production and use of 150 on-board computers for the S-Bahn in Berlin.

In comparison to 1982 we have made advances in the production and use of robots. In all, more than 400 robots were put into use in transport, handling and repair processes.

With the pre-deadline introduction of the outstanding scientific-technological achievement "Robot Technology Potash Car Unloading" in 1983, to quote just one example, a contribution was made to putting the planned economic effects into effect more quickly. This amounts to saving 23 jobs, increasing productivity of the handling installation to 119 percent and increasing production of goods by 2.4 million marks.

[Question] A question about passenger traffic, comrade Minister. The appearance of our trains is being molded more and more by newly constructed railroad cars from the repair yards in Halberstadt. How will things continue in this area?

[Answer] Each day the railroad operates about 7,000 trains to perform its passenger traffic duties--excluding the Berlin S-Bahn--about 550 of them express trains, main-line trains and fast trains.

Each day about 1 million passengers are carried on the railroad. This makes clear what great demands the punctual and safe operation of work traffic, school traffic and passenger traffic makes on the railroad workers.

We are making great efforts to ensure the necessary quality at all times in passenger traffic, particularly concerning punctuality and comfort.

An important question in quality improvement in passenger traffic is a constantly growing assurance that first-rate passenger coach rolling stock will be used.

In the period from 1981 to 1983 we introduced onto the railroad 735 modern passenger coaches manufactured by the rail repair yards in Halberstadt, which, as as you correctly observe, are increasingly molding the image of our trains. We will continue this path in 1984 and put 180 passenger coaches from our in-house production into service for the first time. At the same time, efforts are under way to make increased use of double-deck single coaches to ensure suburban traffic, particularly in the GDR's capital Berlin. This will all help us to make good progress in 1984 in maintaining quality in passenger traffic.

Our premise is that the passenger coaches from the Halberstadt yard have performed well. The modern color scheme also gives our trains a more friendly overall appearance, which is well suited to our railroad.

Overall, the main emphasis of our work in passenger traffic in the coming year will continue to lie in improving reliability, punctuality and cleanliness.

There is certainly no need for me to stress how important it is to mobilize all our forces in this the 35th year of our republic's existence in order to implement energetically and consistently the measures established for it.

9581

CSO: 2300/261

POSTAL, TELECOMMUNICATIONS GOALS FOR 1984 OUTLINED

East Berlin DIE DEUTSCHE POST in German Vol 29 No 1, Jan 84 p 3

[Interview with Wolfgang Gerhardt, engineer-economist, department head, Planning and Economy Department, Ministry for Post and Telecommunications (date and place of interview not provided): "The 1984 Economic Plan Tasks and How They Can Be Solved"]

[Text] [Question] Higher demands are being made on all economic sectors in the law on the 1984 national economic plan passed by the People's Chamber and in the seventh SED Central Committee session resolutions. What are the basic tasks arising from that for post and telecommunications in 1984?

[Answer] The law on the 1984 national economic plan specifies that the post and telecommunications performance has to rise by 103.6 percent, based on further intensification. This performance improvement must be brought about, in post and telecommunications as in the entire economy, by a higher tempo in intensification, compared with 1983, especially by still more comprehensive rationalization in all sectors of operations, traffic, production and administration. The 1984 national economic plan, therefore, directs post and telecommunications at increasing labor productivity at 102.7 percent, saving 11 million working hours, circa 1 million more than in 1983, and raising net profit, as an expression of dynamic efficiency development, by 104.5 percent. I like to mention in this context that our party and state leadership has in recent months and weeks dealt most intensively with the matters of post and telecommunications and taken extremely important measures for their further efficiency improvements. The pertinent directives have to be implemented in the form of strategic guidelines in all sectors and on all levels of the post department.

[Question] What do you think matters most for accomplishing these ambitious goals?

[Answer] Let me summarize the most important points:

1. Considering that the use of scientific-technical progress is the crucial connecting link for the dynamic development of labor productivity and the improvement of the materials and energy economy and the material working conditions, science and technology data must faster than before be applied in practice. Furthermore, the economic efficacy of scientific-technical measures must

be heightened. All that presupposes still stricter management for the work with tasking workbooks in the science facilities of the post office and more expert leadership and management activity in the administrations and offices concerned with the implementation of technical-technological measures and procedures. The cutback of the 1 million working hours referred to, of which at least 70 percent has to be made productively effective, has to be ensured, after all, by way of the science and technology plans.

2. We are starting a separate post and telecommunications enterprise on 1 January 1984 for producing our own means of rationalization; thereby we must make sure that the planned production increase of 102.3 percent is fully guaranteed. To that end it is necessary further to raise the scientific-technical level of the means of rationalization, especially through microelectronics and robot and handling techniques. I like to mention in this connection that the new enterprise in making means of rationalization will start the production of equipment for 1984 in a large number of time-sharing telephone outlets. That will provide further prerequisites for better supplying the public with telephones.

3. For a more intensive use of the basic assets, all available capacity reserves have to be tapped. The focal point for that lies in the use of modern measuring, control and monitoring installations and the use of PCM systems and of extant circuits from subsidiary installations to set up the time-sharing terminals already referred to. In 1984 also we shall use available investments mainly to extend the telephone network and rationalize operational and transportation processes while using the means of rationalization coming out of our own manufacture. Many investments will again be used to improve post and telecommunications services and modernize their facilities and structures in Berlin.

4. For 1984 again we face the task to improve our performance and efficiency without hiring more labor. That calls for purposefully enforcing more than ever the Schwedt Initiative, "Fewer Produce More," in all sectors and fully using the mobilizing effect of the production wages to be introduced in 1984.

5. Finally, prime costs must be dropped by more than one percent below 1983. That is, in particular, also necessary in order to produce in our own branch all measures for a continuing introduction of the production wages in 1984. All managers thus must see to it that material and funds are carefully handled and that we must always be economical in our computations and labor.

[Question] As spelled out in the law on the 1984 national economic plan, the measures set down in the party and government resolutions on perfecting management, planning and economic cost accounting must resolutely be realized. Which measures are to take effect in post and telecommunications in 1984?

[Answer] In application of the resolutions you have referred to to the specifics in the reproduction process in post and telecommunications, the ministry for post and telecommunications, drawing on associates in the administrations and offices, worked out some rules that are being applied to the implementation of the 1984 plan. That pertains to an improved rating system, in particular

by using the "net production" parameter in the telecommunications construction combine and in the major motor vehicle repair workshop, the planning and setting up of a performance fund, enforcing economically more effective inventory management and having profits play a higher role, to mention but a few of the most important points.

[Question] Is it possible to say that all other rules will crystallize in the rules for higher expertise in performance rating?

[Answer] To the extent that they are of importance to economically rating the performance and facilities of post and telecommunications, they will be part of the principles and rating criteria. Starting with 1984, e.g., we shall for the first time relate to the plan parameters for performance rating the "net production" parameter (for the combine and the repair workshop), "repair services for the basic assets in the telephone and teletype system" (for the combine), "own production of means of rationalization," "export of non-material services," and "labor productivity based on net production" (both for the combine and the workshop).

5885

CSO: 2300/288

GERMAN DEMOCRATIC REPUBLIC

BRIEFS

WAGE REFORM SUBSTANTIALLY COMPLETED--The introduction of so-called productivity wages in the GDR has been "substantially completed," according to the East Berlin journal, SOZIALISTISCHE ARBEITSWISSENSCHAFT (Socialist Labor Science). Roughly 1.8 million production workers in industry, construction as well as in transportation are being paid according to this payment system. At the same time, salaries based on performance were introduced for 600,000 master craftsmen and for university and technical school graduates. All of these measures have been "quite successful." Productivity wages have been gradually introduced since 1975 in the above-mentioned economic sectors. They replace the traditional manner of payment based on working time and consist of a relatively low base pay plus frequently substantial bonuses which are determined by work performance. [Text] [Berlin IWE-TAGESDIENST in German No 24, 11 Feb 84 p 2]

CSO: 2300/305

FOREIGN TRADE MINISTER VIEWS 1983 RESULTS, 1984 TASKS

Budapest NEPSZABADSAG in Hungarian 9 Feb 84 pp 1, 4

[Unsigned article from our correspondent: "Growing Export--Improving Balance of Trade Are the Goals of This Year's Foreign Trade Plan: Minister Peter Veress' Press Conference"]

[Text] Foreign Trade Minister Peter Veress held yesterday a press conference in Parliament in which he assessed last year's results of our foreign trade and reviewed this year's tasks. Veress emphasized that in 1983 the prime goal of our national economy has been accomplished, i.e. our foreign trade balance showed an improvement and our international solvency has been kept intact. Export benefits have grown, in comparison with 1982, although not to the desired extent, while the per unit consumption of materials and energy carriers declined and the real income and consumption of the population has remained on the 1982 level.

The profits of our foreign trade in convertible currencies were substantial, although they did not reach the planned amount and the dimensions of exports did not grow according to our expectations. On the other hand the total value of our imports was the same as in 1982. In assessing our foreign trade balance, we should keep in mind that the worldwide economic recession showed little improvement during 1983 and what is worse, improvements failed to occur in those regions and groups of commodities which would have been favorable to Hungary. At the same time, our processing industry could not comply with its export commitments, and our agriculture was hit by one of the worst droughts of this century. Into the bargain the rhythm of deliveries was last year even more unbalanced than in earlier years: approximately 18 percent of our exports have been implemented during the last month of the year. Although this has contributed to the favorable balance of our foreign trade, it also increased the expenditures and caused more quality defects because of the hasty work.

Insofar as the details of our foreign trade are concerned, the minister explained that our economic cooperation with the socialist countries is of fundamental importance for our national economy. Our exports against rubles exceeded by 24 percent and our imports by 5 percent the preliminary calculations. Our socialist partners have improved the pace of their contractual deliveries, although as a matter of truth the arrival date of certain products, for example that of pine lumber and certain chemicals, fell behind the expectations. Some of our, for various reasons unaccomplished, export deliveries will have to be

made good this year by our enterprises. The prices of goods exported to the socialist countries have increased less than those of the imported commodities. Our ensuing deficit comes close to 5 billion forints.

Peter Veress emphasized that our commerce with the Soviet Union has a particular importance for us. This is demonstrated by the fact that our biggest trade partner has a share of 60 percent in our trade in rubles and 34 percent in our overall foreign trade. Our bilateral trade with the USSR grew--more than with any other socialist country--by 16 percent at current prices and its value came close to 8 billion rubles. More than half of our exports consisted of products of the machine industry, but our exports of chemical products and those of the food industry were also significant. A large percentage of our imports from the Soviet Union was made up by raw materials and energy carriers, yet supplies from the Soviet machine and chemical industry have been invariably essential contributions to our economic development. The proportion of products made in the framework of agreements concerning specialization and cooperation has grown further last year.

Thereupon Peter Veress reviewed the facts of our foreign trade outside of the ruble area during 1983. The total value of our exports against dollars lagged behind the plans by 10 percent. The volume of imports was largely identical with that of 1982. The prices of our exports fell below expectations, more than those of our imports. Price decreases have most sensitively affected our food export items (slaughtered animals, poultry, pork, fresh vegetables and fruits). We have lost about 180 million dollars as a result of the shifts in prices in this barter trade.

From the total volume of Hungary's foreign trade the developed capitalist countries had a share of 35-36 percent. The value of our exports to these countries during 1983 was 11 percent higher at current dollar prices, while the value of our imports was 9 percent lower than in previous years. Our exports to Austria, Switzerland and the United States grew more than to any other country in that area. The product structure of our exports to the developed capitalist countries has changed to some extent. For example the value of food-economy products exported grew by 2 percent and that of materials and spare-parts by 3 percent; the value of machine exports dropped by 5 percent, while that of pharmaceuticals sold has quadrupled. The composition of imports has also changed: the import of energy carriers dropped by 37 percent, that of machines by 21 percent and that of materials and spare-parts by more than 10 percent. The countries of the European Common Market persist in raising road-blocks to our export of agricultural products. Minister Veress noted in this respect: "part of these difficulties could be overcome through constructive agreements if realism and good will prevailed."

During 1983 the majority of the developing countries, including part of the oil-exporting nations, wrestled with financial problems. Their economic development programs did not make it possible to increase Hungarian exports to them. In our export to these areas machinery and equipment are invariably the dominant commodities, while in our imports agricultural and food industry products played a leading role. Our most important Third World partners are: Algeria, Libya and India.

In the following Peter Veress discussed the 1984 tasks of Hungarian foreign trade. He noted that, when mapping this year's economic plans, the government proceeded from the assumption that the external economic conditions will not improve, and in some areas the marketing possibilities of Hungarian goods will continue to be precarious. Neither can we overlook the fact that our CEMA partners are wrestling with problems similar to ours and will have to perform identical economic balancing acts. The goal of Hungarian foreign trade remains the same, i.e. that we must help preserve our international financial solvency and have to stabilize our external trade balance. Our export to the socialist countries is expected to grow by 7-8 percent, while our import will not change. In our trade with the capitalist countries our enterprises will have to achieve, during 1984, an increase in exports for a value of 700-800 million dollars. The plan is built on the presumption that our non-ruble exports will grow by 5 percent, while our imports will stay on the 1983 level.

A fundamental principle of our economic policy in 1984 is that industry should play a greater role in increasing exports than it did until now and that its managers should look for alternative marketing possibilities. Only in this way could we fill the void caused by the drop in exportable farming products as a result of last year's drought.

The 1984 changes in the system of regulators will strengthen the export-orientation of our enterprises and will stimulate those striving toward the production of new export commodities, concluded Peter Veress his report.

12312

CSO: 2500/210

HUNGARY

DEVELOPMENT OF WAGE, PRICE SYSTEM DISCUSSED

Budapest MAGYAR HIRLAP in Hungarian 24 Jan 84 p 7

[Interview with Dr Bela Csikos-Nagy, president of the National Material and Price Office, by Ilona Kocsi: "Club for the Privileged?"]

[Text] Producer price regulation is again in the focus of attention. Some rules are criticized, others hailed; primarily those which eliminate some earlier limitations and which make more independent economic operation by the enterprise a possibility. We asked Dr Bela Csikos-Nagy, president of the National Material and Price Office about this measure which came to be known as the "enterprise price club."

[Question] The announcement for competition according to which the processing industrial enterprises could sign up for the new type of price or income regulation, or even for both, was published in mid-December. A little more concretely, what does this new type mean?

[Answer] As it is known, so far a significant portion of the processing industry formed its prices according to the competitive price system. That is, the profitability and price level of capitalist export represented that dual limitation which could not be exceeded domestically. We are now working on converting from the simulated price system of following the export to the quasi-free market price system. The conversion will take place gradually. In 1984 the enterprises will belong to one of three groups. The dual limitations will be retained in the first group. In the second one--mainly at those enterprises where evaluation of the price levels can be done without ambiguity--we will dissolve the profitability limitation. In the third stage we will eliminate the administrative restrictions. Here the emphasis will be on economic limitations.

More Advantageous Conditions

[Question] Since the latter is much more advantageous than the other two, it is easy to imagine that the enterprises are pushing and shoving to get ahead in the line. What are the basic viewpoints on which the decision is made about who is admitted here into the third group which has become known as the "club of elite enterprises"?

[Answer] We have preliminary requirements. Only those enterprises can apply which have balanced markets behind them. Another viewpoint in judging the applications is that there are no shortage items and that the enterprise exports profitably, and is dynamically increasing its export. It is also important that the price of their product sold domestically does not exceed the price of identical import items--or if there is no such import, then equal to the price the product would cost domestically if we were to regularly import it from a convertible relationship. By the way, the "elite" adjective is not a fortunate one, just as it would also be practical to find another name for "price club." Rather, what is involved here is that finally the firms with the best economic operation will receive more advantageous conditions, and the regulations sized for the average enterprise will not hinder them, hold them back. In this system even those businesses can become profitable which operated at a loss before, as the firm alone can also enter into such a contract by weighing its own viewpoints and interests. The important thing here is not the details but that overall the economic operation be profitable.

[Question] Even though it will continue to be possible to submit applications, the starting deadline has passed. How much interest was shown in this opportunity? How many enterprises applied, and more importantly, what kinds of enterprises?

[Answer] [The deadline of] 31 December 1983 was designated only, as the deadline for submitting applications concerning wages. There is no deadline for applications concerning prices, so that those can be submitted at any time. As far as interest is concerned: the evaluating committee formed in the meanwhile will at its first session planned for the end of January consider the applications of about 20 enterprises. The composition of these enterprises is rather varied. Practically all trades of the competitive processing industry are represented in it, and not only the ministry-supervised enterprises but also the council-supervised ones and the industrial cooperatives. It is conceivable that about 60-80 enterprises will convert in 1984 to this pricing system.

Only Gradually

[Question] Application is voluntary. But certainly the price office also had a preliminary idea about whom it would like to see in this club, and perhaps they even signaled this to the heads of those firms. Or was there no such "prompting, encouraging?"

[Answer] As far back as last year--when the new regulation was being developed--we did evaluations concerning the circle of enterprises which might be considered and the office consulted with the enterprises about this. Since the criteria were developed only as we went along, the circle of enterprises which might be considered also changed during this time. As far as "prompting" or "encouraging" is concerned: there is no need for this. But I must say that we are not forcing the deal either since we want to convert to this freer price development system only gradually, in harmony with the development of the conditions.

[Question] To outsiders, price regulation often sounds "Greek," and with this new regulation then one thoroughly feels that it is impossible to comprehend the essence or the whole of the price system. What is your experience, are the enterprises able to follow the changes, can they take advantage of the opportunities furnished by the various regulations? That is, the three enterprise groups mentioned before refer only to the competitive sphere of the processing industry. Several other kinds of price development exist besides this. Would that not be possible to introduce somewhat simpler and more uniform price development regulations? This newest one, the one without administrative restrictions would certainly appeal to many...

[Answer] Certainly it will be like that. But just think it over, what kind of prices would develop if there would be no brakes. There are enterprises in monopoly situation, that is, sole producers, in several areas of the economy, they have no competitors. Our import opportunities are limited, thus we can't even say that the import competition will put the prices in their place. Under our present conditions the only possibility is to gradually progress towards a price system we would also consider practical in the future. This present beginning will be good for that.

[Question] The enterprises may apply to only the price club, or only the wage club, or to both at the same time. Why was there a need for this opportunity to choose, since if an enterprise wants to get in, in all probability it wants both advantages...Price and wage policy are closely interrelated concepts.

[Answer] Price and wage policy really are interrelated concepts. This is also why we announced the two programs together. But it does not follow from this that a given enterprise will want to take advantage of both benefits. Even though in theory the announced system is more advantageous in all cases, but in practice there will certainly be enterprises which feel that the export price level and perhaps the profitability specification provide a certain protection in the price policy. At the same time the new type income regulation--depending on the situation of the enterprises--may be more advantageous, but may also be less advantageous than the basis system. And also the two circles of enterprises may also not coincide because the income regulation program essentially covers the entire national economy while the one on price regulation extends only over a part of the processing industry.

No Experiment

[Question] In any case the experiment creates a contradictory situation. While the majority of enterprises struggle under the old regulations with the economic recession and the difficulties deriving from the country's difficult economic situation, there will be a small circle which can conduct its economic operation completely freely. Don't you think that this tension and mainly the differentiation resulting from the different conditions will take on dimensions which may block this experiment and force you to back down?

[Answer] The expression that the affected enterprises "can conduct their economic operation completely freely" is exaggerated with respect to both price regulation and income regulation. We are not talking about experiment in price regulation. But further development of the price system is based on the recognition that under the conditions of indirect economic management --particularly in the area of the processing industry--all price development restrictions which hinder the prevailing of market prices, cause distortions in the enterprise's economic operation. Of course, where the demand does not represent the necessary countering force, in order to make up for it there is a need for restrictions, limitations, brakes. But where the market, the supply and demand are balanced, these restrictions must be cut back. The conditions will not be different because of this, because there is no stricter limit for prices than the buyer in the proper position.

8584

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CLOTHING INDUSTRY PROBLEMS DISCUSSED

Budapest FIGYELO in Hungarian No 5, 19 Jan 84 p 5

[Text] On the domestic market the shortage is increasing in the sphere of clothing articles, too, and under the present conditions one cannot count on an oversupply, on the deployment of the industry's mercantile activity, or on the strengthening of the position of commerce or customers in the future either--a study prepared in the recent past at the Research Institute of Domestic Commerce establishes. The coauthors--Gyorgy Radnoti and Robert Varga--examined the market-circulation arrangement of clothing articles, searching for the possibility of a logical modification and the conditions necessary for it. In what follows we summarize their most important conclusions dealing with the direct connection of industry and commerce.

At the end of May 1983 eighteen state and thirty-five cooperative retail organizations dealing with the sale of clothing articles had asked for and received the wholesale right. Of the former, however, only 5, of the latter, 12 actually perform this function. In its entirety a fundamental change has not occurred in years past in the direct trade relationship of the clothing retail business and industry. This is well demonstrated by the fact that between 1979 and 1982--after a temporary slump--the proportion of retail turnover excluding the wholesale organization increased altogether by 0.1 percent, from 26.8 percent to 26.9 percent, compared with the total clothing retail turnover.

If Pressure to Sell

The industry is interested in large-scale production, in servicing comparatively few customers, in the stockpiling of raw materials and not finished products. In the case of marketing problems, however, it is reduced to more flexible solutions.

For example, the Sarvar Shoemaking Cooperative delivers about 80-85 percent of its total production directly to its retail stores. The cooperative began to manufacture shoes about twenty years ago, and in the beginning sold them in the traditional manner to the wholesale companies.

However, its partners' financial standing changed for the worse about 15 years ago, their late payment became constant, and for this reason the

cooperative was forced to seek new customers. Since the cooperative's products were not suitable for export, the retail trade's direct service meant the solution. Loading their products onto a truck, they called on the stores one after the other, first, in the neighborhood, later on, those farther away.

For lack of a central warehouse, however, the retail businesses could only be partners if the manufacturer was able to solve the direct store payment. In support of this the cooperative gradually developed its product mechanism so that nowadays in all seasons it manufactures shoes in such a rhythm that, removed from the assembly line, they can arrive in the store almost immediately--without more appreciable stockpiling. (The capacity of the Sarvar finished-goods warehouse amounts to approximately 4 days' production.) Currently they ship to about 360 stores, some goods being sent by parcel post.

Overcentralization

Since the cooperative's largest retail partners had in the meantime gathered to form the Ruhaker Association, they were able to act as a relatively large customer, which made mass volume reasonable. In the course of its preparations for putting together a production program for the following years the cooperative--mindful of the scope of the enterprises' orders--visited all interested stores every half-year and on the spot reached an agreement about the specification. Although this is a laborious, five-six-week-long activity, it is still worth the cost, because it means security for the ordering of materials and for the scheduling of manufacturing. According to the cooperative's calculations the payment of a couple of shoe stores--as a consequence of the sharing of the wholesale profit margin--yields an excess profit of 6 forints, which on a yearly level results in 16 percent of the cooperative's total profits.

This "counterexample" graphically illustrates the well-foundedness of those criticisms which the industry is accustomed to calling overcentralization. The implementation of the producer-store price course was one of the conditions of the cooperative's relatively small production volume. The size of the cooperative made it possible, among other things, to optimize the volume of mass production in accordance with the efficient use of capacity and the wishes of the retail enterprises.

In connection with this, however, is the interesting and characteristic circumstances that the cooperative--although it satisfies to the maximum the demands of the retail trade--is still unable to sell its total production without the wholesale enterprises. The retail enterprises, namely--because of the setting in of stockpiles--do not take delivery of merchandise in June and December; during these months the cooperative delivers to the wholesale enterprises.

Rolling Warehouse

In the course of the study one succeeded in recognizing an original initiative, the trial of which began under undisturbed market conditions. The horned "Siren" Clothing and Homecraft Cooperative continuously takes preventive measures for the stabilization of its market position. The experimental "rolling wholesale warehouse" provides this.

The essence of this solution is that since February 1983 every day a small truck stops in at the clothing stores of the surrounding settlements, on it a determined quantity of merchandise and samples. The managers of the department stores and retail shops which are visited are able to have the selected shirts transported immediately to their store warehouse, while the orders given on the basis of the samples are shipped by freight train at a later date to the stores.

The shirts selected from the producer immediately appear as a shop offer. The market research carried out with the samples is likewise very efficient, the store managers' approval means at once purchasing or ordering, and the expected demand can be determined with great probability. According to the cooperative with the shirts purchased in this manner this is the shortest financial transit time, which is not an aspect of minor importance.

In this way for the time being they sell the warehouse supplies as well as the smaller standardized products manufactured expressly for this purpose. At the cooperatives it is already known which models are wanted in the surrounding area, so that from the very beginning these find their way onto the truck.

This experiment in the long run is destined to lay the foundation for the direct connections with the retail trade. Namely, the emergence of a demand-supply situation is considered conceivable when only by such or similar methods will it be possible to maintain their share in the domestic clothing business.

What's in the Package?

The Bekescsaba Knitware Factory practically has a monopoly on infants' clothing articles. In spite of this they have marketing problems as a consequence of the steady decline in the number of births, the development of the standard of living, and the slow obsolescence of the products. For this reason the factory introduced the package-dispatcher business. According to their calculations the marketing expenses for the time being consume the entire commercial profit margin. In spite of this they are planning an expansion of the range of the products, optimizing at the same time the space of the package-dispatcher warehouse.

The May First Clothes Factory saw a means of increasing its narrowing profits in retail sales and sales to the population at large. They modified the production structure, they accepted orders on a smaller scale, they took pains to finish production conforming to the season, with the object of

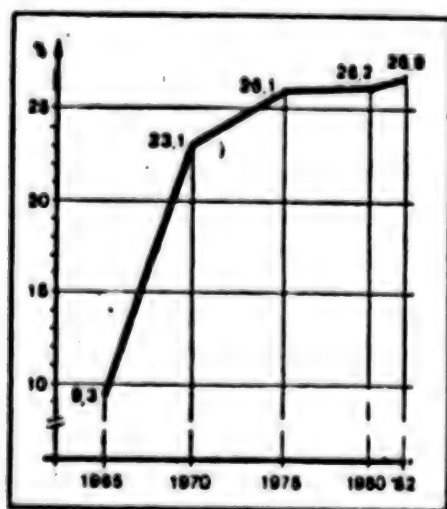
decreasing the stockpile time. This indicates that the market changes can also force the relatively large enterprises into more flexible conduct.

If an industrial enterprise gets to the point where it sells its products all by itself in whole or in part to the retail trade, perhaps directly to the consumer, then its directors take on the responsibility for the completion of the significant extra work with this, because they recognize that otherwise it is not possible to sell their products. But one cannot substitute this economic constraint with anything else, it is impossible to exert its influence steadily with other means. For that reason it is only symptomatic treatment to bequeath the manufacturers the wholesale activity, or to call to the attention of the directors of retail enterprises the increase in the proportion of direct acquisition. Such an approximative method to the problems reflects the fact that if the whole of our economy would otherwise be suitable for the attainment of the desired level of development, only a greater "paying of attention" and the application of some elements of the instruments of market control are necessary for the desired changes.

The enterprises, however, do not plan their activity in accordance with directives and guiding principles but first and foremost in compliance with their recognized and enforceable economic interests.

The positive examples met with--in the foregoing familiar, but not at all typical--in the course of the study were able to evolve because the enterprises participating in the action were forced to take the step, and at the same time its conditions of feasibility and the compromises that went with it were acceptable to all the partners.

A bold/ Biskereskedelem által közvetlenül
beszerelt ruházati cikkek forgalma az áru-
főcsoport főkereskedelmi forgalmának szá-
zalékában (1965-1982)



The turnover of clothing articles obtained directly through retail trade stores in a percentage of the retail turnover of the main mercantile division (1965-1982)

OFFICIAL INTERVIEWED ON REORGANIZED MINISTRY OF TRANSPORT

Budapest FIGYELO in Hungarian 12 Jan 84 pp 1, 4

[Interview with Transport Undersecretary Lajos Urban by Judit Bertalanfy: "After the Reorganization"; date and place of interview not specified]

[Text] It's already half a year since significant organizational changes in the entire department followed one another in the wake of the reorganization of the Transport Ministry. Our coworker Judit Bertalanfy asked Undersecretary Lajos Urban about the changes which took place and their effect, about Transport's plans.

[Question] The letter P has been missing from the abbreviation of the Ministry's name since July of last year. Besides the fact that Transport and the Postal Service parted ways, what kind of organizational changes took place? After all, the reorganization of the Ministry is only part of a modernization process which has lasted since 1979.

[Answer] We had to transform the structure of the Ministry so that it was able to participate more actively than before in planning work and in economic work on the national economy level, and so that at the same time Transport's professional management would improve in the possession of central information. Therefore, we gradually put an end to that earlier practice in which we were engaged with questions belonging to the sphere of business decisions, and we transformed our internal management system so that it would be able to meet the requirements created with regards to direct management activity of a functional character.

I also consider it extremely important that we succeeded in separating the economic and the official activities, and a significant part of the official matters were transferred to those places--primarily to the councils--where they best know the given area, and where they know how to deal with them in full. The fact that we did away with 54 official spheres of authority and transferred 114, mainly to the councils, renders the degree of this change perceptible.

[Question] In 1978 the transport-policy concept worked out in 1968 was adjusted to the circumstances of that time, changed in relation to the former ones. Does the current departmentwide modernization signify at the same time a newer modification of the conception?

Answer In 1968 the primary goal was that we create efficient public transportation, and that we establish the infrastructure for it by the simultaneous further development of the railroad. A decade later the main objectives may be the aspects of economic efficiency; in place of the dispatching of goods "at any price" we are able to consider how the goods can arrive at their place of destination in the fastest, safest and cheapest manner. Then--in 1978--we didn't reckon, however, with those tendencies relating to the development of transportation, or rather of the whole, national economy, which are characteristic for today. Over and above the decline in performance, in both freight and passenger transport the former tensions remained, fundamentally because of an almost similar-scale lessening of investment possibilities.

Hence a newer course modification is needed. Because of road investments which proved to be urgent, in 1984, for example, a new network-development conception is being prepared.

Question What kind of possibility do they count on in this, what does the money go for, and what doesn't it go for?

Answer According to our minimal program the preservation of the good working order and operational safety of the existing networks and vehicles is the goal. Thus care and maintenance tasks receive priority, for these, by the way, there is the technical background, too.

Moreover, the possibility is opening up--in a very limited degree--for new investments in every field of transportation, for modernizations, too; however, we must pay much greater attention so that we make use of these sources of narrow development on the basis of a very purposeful and circumspect determination of the order of importance. With road construction, for example, we have to see to it that the modernizations begun are completed as soon as possible. In the future in all likelihood the building rate of the cities' ferry and transfer sectors will slacken.

Question Does this refer primarily to the highway sections?

Answer Yes. The highway construction is the most critical point of the investments, after all, it demands large sums, and one cannot keep up the earlier tempo. After delivery of the introductory Budapest section of M3 today we can concentrate on only two roads, the M1 and the M5. At the former with the construction of the Bicske-Biatorbagy section a modern highway suitable for heavy international traffic will take shape. However, in the next few years we want to turn the first section of the M5 half-highway over to traffic so that it is finished at the same time with the introductory city section. In this way we can avoid the previous mistakes which we committed with the construction of M1 and M3, respectively. In keeping with self-criticism we must confess that instead of the 200-odd kilometers of highway sections built in years past which steer clear of the cities, we should have built, to begin with, at least the first, thirty-kilometer section of the M0 loop which avoids Budapest. In the course of the preparation of plans for the immediate future we will give that increased attention.

Question What is the situation with the railway investments? Will the modernization of the railroad station in Kelenfold and Ferencvaros be followed by another?

Answer It must be clearly seen that there is now no possibility for the reconstruction of a railway junction figuring in the concept. The MAV **Hungarian State Railways** has run into a difficult situation: the growth rate of both the freight and passenger transport performance remains significantly below what was planned, and this, of course, manifests itself in the railway's profits and production results, respectively. The concern resides in the fact that the railway can hardly tolerate such a large--it is to be hoped, only temporary--decline in passenger demand alongside a barely seventy-percent ratio of fixed charges, especially if it is necessary to continue certain modernization operations. After all, there are things one cannot give up on, and the preservation of the vehicle fleet and the irreplaceable track upkeep consume billions yearly.

Question One of the country's largest energy consumers is transportation, in which every percent of savings is of great significance. Our energy rationalization program in years past was able to show spectacular successes. Will this tendency continue?

Answer In this area we really are not badly off. Successful measures for the stimulation of and insistence on thriftiness sprang up. In the past period we succeeded in decreasing the department's energy consumption by 3-4 percent yearly, more recently, however, these comparatively easily exploitable sources of thriftiness are beginning to dry up. Right now we must make much greater efforts than previously for the upholding of this favorable tendency.

Question Today more than half of passenger transport takes place with privately-owned cars. Is there some kind of holdback effect of the fuel price increases to be noted?

Answer With the privately-owned motor vehicles for the effect of the price rise each car's yearly running performance decreased significantly. Today gasoline costs more than twice what it did in 1979, and for each car that comes to three quarters of the quantity then used up.

With buses and trucks operated by public institutions parallel with the price rises the quantity of gasoline and diesel oil consumed for the transport unit decreases, but this is primarily attributable not to the price rise but rather to technical and organizational measures.

Question It is probable that there is no point to the stopping of more than one million privately-owned vehicles, if only because no kind of mass-transportation vehicle is able to take upon itself the falling performance. What would really be a rational solution is if the car owner would seldom fill up their tanks not because they are afraid of their wallets rapidly becoming empty, but because their car uses less. Is it probable that modern models consuming less fuel will get to the domestic car market?

Answer The possibility for the importation of more modern type motor vehicles using less fuel is limited. With our acquisition possibilities modernization essentially effecting gasoline consumption on passenger cars is not probable at an early date.

A more modern model from the choices of trucks available on the KGST **Council for Mutual Economic Assistance** market is the diesel-driven vehicle. Our goal is to increase the importation of these. The market supply imposes a limit on this, however, and in the international agreements there is a fixed allocation figure.

Question Do any bridgeable solutions remain, such as the dieselization program?

Answer Yes. The outcome of the dieselization program is that the modification of the ZIL **expansion unknown** produced, gasoline-driven trucks for diesel-fuel operation has begun, and so the quantity of fuel consumed per 100 kilometers decreases in general by 40 percent.

Question We have digressed somewhat from our original theme, the department's "reconstruction." I wonder if this sweeping internal organizational change is cause or consequence of the smaller transportation demands?

Answer Now that the department's load has lessened somewhat, we see the possibility for us to organize our ranks and prepare ourselves not only for the toning down of the probable difficulties but for their solution as well. We certainly cannot fall into the error of attributing every difficulty to our narrowing investment possibilities, and for this reason we consider it our primary task in the forthcoming period to preserve the present level, safety and efficiency of transportation. At the Transport subdepartments and enterprises--for example, the Volan Trust--implemented and planned organizational measures are first and foremost destined to serve the increase in efficiency and a more flexible accommodation to demands.

12327

CSO: 2500/196

DEPUTY REFORM COMMISSIONER CHALLENGED ON CAUSES OF INFLATION

Warsaw ZYCIE GOSPODARCZE in Polish No 6, 5 Feb 84 p 16

[Editorial commentary by K.S.: "Who Is to Blame for Inflation"]

[Text] Inflation places strains on both individuals and the economy as a whole. We learn this lesson every day. This is also the reason why we all want to bring inflation under control. The only thing we disagree on are the causes of inflation and, accordingly, the methods we should employ to stop it.

Professor Zdzislaw Sadowski recently spoke out on this question in POLITYKA [issues No 4, 28 January 1984]. He contends that the notion according to which the excessive rise in wages is held to be the sole cause of economic disequilibrium and inflation is a myth. It is not true that inflation is caused by the arbitrary pricing decisions of business enterprises.

On the other hand, Z. Sadowski expressed the view that the main factors responsible for inflation in the Polish economy are structural in nature. And there are several of these factors. The government's deputy commissioner for economic reform ranks the foreign debt servicing burden, first and foremost, as one of these factors. Another powerful factor fueling inflation is the structure of capital investment spending. And, finally, all forms of subsidies used to finance inefficient industries are a third inflationary factor. And this is precisely the reason why, in the author's opinion, it is essential to follow through with the economic reform, a reform which is supposed to alleviate and curtail inflation primarily by combating waste and mismanagement.

I have always admired professor Zdzislaw Sadowski's faith in the effectiveness of economic reform. This is a praiseworthy attitude, but ... the tight money policy so far has not made as much of an impact as it should have on all of the institutional machinery of the economic reform program. During the first year of the reform's implementation the zloty was hard to get only for individuals due to the large price hikes. Business enterprises, on the other hand, had as much capital as they wanted. In some cases they had more than they knew what to do with. Last year, money was relatively easy to come by both for private individuals and for business enterprises. Right now, presumably because of the updated reform machinery, it will be less easy for enterprises to come by the funds they want, but it still not be all that difficult either. But as far as private individuals are concerned, money will once again be tight. In other words, what lies behind all this is the belief that inflation is caused more by wage rises than it is by waste and mismanagement in economic organizations.

Neither is it possible to extrapolate from this that the most important factor giving rise to inflation is the existing structure of industrial output, a characteristic feature of which is the faster growth of industries producing capital and producer goods coupled with the slower growth of industries producing consumer goods. Last year, the growth rate of industries producing goods for consumers was twice as slow as the growth rate for industry as a whole. As a result, this is bound to lead to a situation where the money supply derived from wages is going to grow at a faster rate than the supply of goods available for sale to consumers. This development is rendered all the more menacing in that payrolls in non-consumer goods industries are usually higher on the average than those in the economy as a whole.

So, the fight against inflation also implies that an effort should be made to change this situation. During the initial stages of the reform's implementation not much was done to make any practical use of those economic levers designed to increase the supply of consumer goods.

Recently, however, we have seen some pronounced changes in this regard, as is reflected, for example, in the FAZ tax credits allowed for industries producing consumer goods. Thus, it has been admitted finally that increases in wages pegged to increases in output in sectors such as light industry or the food processing industry may produce dividends conducive to general economic equilibrium, since each and every zloty shelled out in these industries for wages may generate a manifold increase in the output of consumer goods. Especially so in view of the fact that the manpower shortage created by the relatively low wages paid in these industries is often cited as a hindrance to their output growth. In this instance, then, however paradoxical this may sound, the paying of higher wages in these industries would be one of the most important anti-inflation measures we could take.

So, the economic reform, if it is expected to alleviate and curtail inflationary pressures, cannot be geared solely and exclusively toward eliminating enclaves of inefficiency. It also has to aid in bringing about desired structural changes, that is, it has to have an impact on capital investment decisions, it has to help boost the supply of consumer goods, and so on. And in the future this will be necessary to re-evaluate many of the levers used to influence economic activity so that the reform does not wind up being just an end in itself, but rather a tool used to implement specific economic policies.

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INCENTIVES FOR UTILIZING POTENTIAL OF PRIVATE FARMS

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[Article by Radu Voicu: "A Uniform Program for Increasing Agricultural Output on Individual Farms of Agricultural Production Cooperative Members and on Private Farms--A Powerful Incentive for Use of Private Farms to Increase Agricultural Output"]

[Text] The years of socialist construction have been characterized by the policy consistently promoted by the Romanian Communist Party and its General Secretary, Comrade Nicolae Ceausescu, of developing agriculture, a basic branch of the economy which plays an important role in bringing about economic and social advancement of the country and in raising the standard of living of all the people.

In the process of transformation of the old Rumanian countryside, i.e., improvement in agrarian production relations and creation of an agriculture marked by high productivity and high efficiency, our party has given its attention to all social and economic sectors of this branch in its efforts to achieve unified development of agriculture. This approach is based on reasons of a political, economic, and social nature connected with strengthening of each sector in agriculture, full utilization of the production potential both of socialist units and of private farms, and improvement in the welfare of all peasants.

The recent working conference on activities in agriculture and more vigorous development of crop and livestock production on individual farms of cooperative members and on private farms was yet another proof of the constant efforts of our party and its secretary general to ensure improvement in the forms and methods of organization of agriculture and of promoting measures aimed at utilization of all agricultural production resources. The conference dealt with the Unified Program for Increasing Agricultural Production on the Individual Farms of Agricultural Production Cooperatives and on Private Farms, a program which pursues several goals: radical improvement in production and contract procurement activities, substantial increase in the contribution made by these farms to implementation of the self-management and self-supply program, creation of the centralized state reserves of agricultural food products, and general development of the country.

The guidelines and instructions contained in the address delivered at the conference by the Secretary General of the party, Comrade Nicolae Ceausescu, and in the program drawn up from an instrument of extremely great importance to all workers in agriculture and are an integral part of the broad array of measures and actions to be taken to implement the resolutions of the Twelfth Congress and National Conference of the Party in connection with accomplishment of a new and profound agrarian revolution to advance to a higher stage the economic potential and the standard of living and civilization of the Romanian countryside.

The attention devoted to private farms should not be construed as de-emphasis of the role of the socialist sector of agriculture, which will continue to occupy the dominant and decisive position in Romanian agriculture. It is apposite to note in this context that the socialist sector (under which is also classified the land allocated to individual members by agricultural production cooperatives) accounts for about 95 percent of the arable land of the country, provides the bulk of crop and livestock production, and represents the main source of agricultural output for the state reserves. In 1983, for example, the share of the socialist sector of agriculture in creating state reserves was 88.7 percent in the case of meat (in the case of pork 96.3 percent, poultry meat 98.5 percent, mutton 83.1 percent, beef 67.7 percent), 83.9 percent for cow's milk, 94.1 percent for eggs, 92.8 percent for vegetables, 97.6 percent for potatoes, 84.8 percent for fresh fruits, 95.7 percent for grapes, etc. Stressing the decisive role of the socialist sector of agriculture, the Secretary General of the party, Comrade Nicolae Ceausescu, pointed out at the same time that "it is not permissible--nor should it be--for us in any way to neglect the individual farms of cooperative members and private farms."

The need for incorporating this sector into the general process of development of agriculture is determined, among other things, by the significant production resources available on private farms. The program proceeds from the necessity of using all resources, and land in particular, as a primary means of production in agriculture, which, independently of the form of ownership, represents an invaluable asset of society as a whole and should be worked so as to obtain the agricultural products needed for meeting the consumption needs of the people and other needs of the national economy.

Share of Private Farms in Total and Arable
Land of Romania (in Percent)

	Cooperative members' farms	Farms not Cooperatives	Total
Agricultural	5.6	9.4	15.0
Arable	7.4	5.1	12.5

The members of agricultural production cooperatives have more than 843,000 hectares of farm land in use, more than 741,000 hectares of which represent arable land. At the same time, private farms outside cooperatives account for an area exceeding 1.413 million hectares of farm land, include more than 504,000 hectares of arable land. The two categories of farms together represent 15 percent of the farm land of the country and 12 percent of the arable land (see table).

Along with this significant land potential, note should be made of the fact that, generally speaking, the use categories and branches characterized by high intensity predominate from the viewpoint of land use and structure of the areas under cultivation. For instance, private farms account for more than 32.5 percent of the vineyards and viticultural nurseries and about 22 percent of the area of orchards and fruit tree nurseries; this circumstance necessarily exerts a substantial influence on the results obtained in these areas of agricultural production. Also noteworthy is the large share, more than 55 percent, of private farms, especially those in areas without cooperatives, in the area of natural meadows and pastures; this represents a powerful resource for development of cattle and sheep raising, especially when a higher proportion of plants with a high content of nutritive substances, plant proteins, is ensured through improvement in the structure of pastures and meadows.

The role which private farms play in a particularly intensive sector, livestock raising, is to be stressed in connection with the production potential of these farms. These farms account for 41.5 percent of the herd of cattle (49.4 percent of cows and heifers), 27.5 percent of the hogs, 48.8 percent of the sheep, and 56.7 percent of egg-laying poultry. It may be said that the development of livestock raising, increase in the share of livestock production in total agricultural production as an indicator of the intensive and many-sided nature of agriculture, will also depend on the results obtained on private farms.

Combining the land areas, the numbers of livestock, and other means of production of private farms (barns, various production areas, harnesses and other equipment) gives a concise picture of the substantial production resources available to these farms. If used efficiently, on the basis of improvement in organization and application of appropriate production technologies, these resources can contribute toward achievement of higher yields per hectare or animal.

Full use of the production resources of private farms necessitates drawing up an accurate, clear inventory of these resources to determine the production potential of each farm and establish production plans in keeping with this potential and the specific features of each agricultural zone. In addition, the program specifies the number of livestock to be raised, as a function of the number of persons and the land area held (in the case of farms outside cooperatives). At the same time, guidelines are given for the crop structure which may be established on land used by the individual farms of cooperative members or held by private farms.

In establishing the obligation assigned to private farms in production and contract procurement of the largest possible amounts of products, the program provides for measures of the greatest importance for reaching these goals. For instance, particular attention will be devoted to providing all farms with implements, pesticides, and chemical fertilizers to be added as needed to natural fertilizers to fertilize the soil. There are also plans for creating conditions to increase the degree of mechanization of farm operations in areas with no co-operatives.

A separate place in the system of incentives for increase in agricultural output on private farms and in the contribution of these farms to formation of self-supply reserves and the state reserves is assigned to institution of a unified contract procurement system (under which the mandatory delivery quotas and assignments are abolished). This is a system based on the economic principle of creating material incentives for producers in the form of prices and other advantages afforded them under laws in force. The firm contract procurement obligations assigned to the farms in accordance with the unified contract procurement system are accompanied by obligations on the part of the socialist contract procurement units to ensure acceptance of the entire amount of products offered, to pay stable prices, and to grant all the material facilities due the farmers.

Along with the contract procurement prices, which represent the basic element of the material incentive system, farmers will receive a number of advantages such as bonuses based on the amount products procured, credit, tax exemptions, and the opportunity for the farmers to buy certain amounts of feeds at the prices set by law, in the case of contract sale and delivery of livestock and milk. For example, if young cattle each weighing 350 kilograms are delivered, 150 kilograms of feed concentrates may be purchased, and this amount can be increased 0.5 kilograms for every kilogram of live weight delivered in excess of this weight. Delivery of a hog with a live weight of 110 kilograms or more permits purchase of 220 kilograms of feed concentrates. A farm which delivers 2000 to 2500 liters of milk can purchase 17 kilograms of feeds for every 100 liters (that is, 425 kilograms for every 2500 liters). When the amount delivered exceeds 2500 liters of milk, 20 kilograms may be bought for every 100 liters; for example, 2700 liters of milk entitles the farmer to buy 540 kilograms of feeds. Farmers are thus enabled to add high value feeds to their feed resources and increase the number of livestock raised.

The agricultural product processing authorities play an important part in utilization of the advantages afforded by the material incentive system. Respect by each of these authorities for the contractual obligations assigned to it, proper conduct of the product acceptance process and correct quality classification of products (as a function of which the price level is established), and transportation and storage of products without losses are factors in harmonizing the individual interests of farmers with the general interests of society. The activities of the acceptance authorities must be characterized by flexibility and efficiency so as to avoid the occurrence of any disruptive factor which might affect the flow of agricultural products from farmer to consumer.

The entire system of measures relating to contract procurement of output, whereby farmers are assured of sale of their products and definite receipt of income, the opportunity they have of selling their surplus output directly to consumers, the setting of market prices, and the stable nature of the contract procurement prices and of the prices at which farmers buy products of industrial origin--all these things are designed to ensure equitable trade between countryside and town, in harmony with the principles of our socialist society. Thus, as Comrade Nicolae Ceausescu pointed out at the recent Working Conference at Sinaia, "the alliance of workers and peasants, the foundation of our socialist system, must be manifested primarily in production and in exchange of agricultural and industrial products at fair and stable prices."

The unified program for increasing agricultural output on the individual farms of members of agricultural production cooperatives and on private farms is in its content as a whole of particular importance in the development of agriculture, in increasing the contribution made by this branch to the general progress of the country, in raising the standard of living of the rural population and in increasingly reducing the differences between town and countryside, and in rendering our socialist society uniform. Implementation of the program, through the efforts of farmers as a whole, will steadily raise the level of agriculture. The efforts made by the farmers must be coupled with those of the people's councils, the agricultural management authorities at the national and district levels, and public organizations in the countryside, under the guidance of party authorities and organizations, with the most suitable measures taken for assistance, guidance, and organization of production on private farms so that the provisions of the program will be carried out, for the good of all the people.

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